

Local Trust board meeting minutes, decisions and actions

8 December 2016 at
 2pm

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

Discussion and decision	Action
<p>Present</p> <p>Trustees</p> <p>Kevin Sugrue (chair), Penny Shepherd, Jonathan Taylor, Ben Lee, Daniel Goodwin, Alice Casey, Peter Mills, Andrew Robinson, John Whitton</p> <p>Non-trustees</p> <p>Ben Hughes, Nicola Hutcheson, Jayne Humm, Rachel Rowney, Jessica Wenban-Smith and Wendy Joynes (minutes) (Local Trust)</p> <p>Matt Leach (new CEO from January 2017)</p> <p>Daniel Haines (CCW) for item 5, Naziar Hashemi (CCW) – by telephone for item 5</p>	
<p>1. Welcome and introductions</p> <p>Kevin welcomed Daniel Haines and Naziar Hashemi from CCW and new CEO Matt Leach to the meeting.</p>	
<p>2. Apologies for absence</p> <p>Apologies were received from Kathryn Kane, Karen Riches, Peter Thurston (Big Local protector).</p>	
<p>3. Conflicts of interest</p> <p>Ben Lee: director, NANM (delivery partner, Big Local)</p> <p>Peter Mills, owner, Brand Ethos (commissioned by UnLtd, delivery partners for Big Local)</p> <p>Andrew Robinson: director, CCLA (investment manager, Big Local Trust and Local Trust) and trustee of Community Development Foundation</p>	

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<p>4. Minutes of the previous meeting and matters arising</p> <p>4.1 Minutes of previous meeting</p> <p>It was agreed that the minutes of the meeting held on 13 October 2016 be approved as a correct record.</p> <p>4.2 Matters arising</p> <p>The agenda was felt to be too long, and included too much information from the sub committees. This will be reviewed and amended for future meetings. There were no other matters arising.</p>	<p>Staff to streamline agenda and consolidate papers from sub-committees</p>
<p>5. Finance and audit</p> <p>5.1 Minutes</p> <p>The board received the minutes of the finance and audit sub-committee meeting held on 18 November 2016.</p> <p>The board:</p> <ul style="list-style-type: none"> • agreed to increase the authorisation limit at which a trustee signatory is required to £500k, after seeking advice from auditors • agreed to add Matt Leach (after his date of employment) and Jessica Wenban-Smith as signatories to Big Local Trust and Local Trust NatWest bank accounts • agreed to amend the credit card limits as follows: chief executive £4,000, head £2,000, office administrator/PA to the chief executive £3,000 • agreed to set up Big Local Trust credit cards for Matt Leach (after his date of employment) and Jessica Wenban-Smith • agreed to add Matt Leach as a signatory on Big Local Trust's CCLA investments and Local Trust's CCLA COIF account (after his date of employment). <p>5.2 Annual report and audited accounts</p> <p>Jonathan introduced the annual report and accounts. This year had proved particularly challenging due to the ransomware attack, the change in custodian for the investment, changes to SORP and a shift in the way CCLA reports investment performance. However, the draft under consideration had been thoroughly reviewed by CCW and, although there remained some final changes, these were mainly around the presentation of the accounts.</p> <p>Jonathan noted the skill and dedication shown by the finance team, and Nicola in particular, for ensuring the accounts were prepared on time and to a high standard.</p> <p>Naziar from CCW highlighted the following:</p> <ul style="list-style-type: none"> • Only two unadjusted errors were noted during the audit (see appendix 4 of the audit findings report). The first related to an unposted accrual of £5k for employee holiday pay as at 31 March 2016, which it had been agreed with CCW was not material. The second was that there was no accrual for the additional audit fees incurred, which amounted to £12.5k. 	<p>Staff to make the relevant checks and changes to signatories and mandates</p>

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<ul style="list-style-type: none"> On social investments, in future it will be important that any assessment of social investment impairments is agreed at the relevant meeting and recorded in the minutes. With regard to the CDF legacy funds, it was identified that Local Trust must hold up to £50k towards potential liquidation costs. This is effectively a contingent liability, and it will be noted in the financial statements. The financial statements for the year ended 31 March 2016 are the first prepared by Local Trust under the new Charities SORP (FRS 102). <p>The following questions and comments were then raised:</p> <ul style="list-style-type: none"> The auditors' letter of representation includes a statement by trustees about fraud. Trustees discussed a formal review of Local Trust's processes and safeguards in relation to fraud. On the IT review, within the audit findings, there was a discussion about checking backups done by Local Trust's IT support company. Our contract specifies that back-ups are verified annually; staff will follow up on this. It was agreed that the wording around CDF legacy funds should read 'Local Trust was "approached" rather than "invited to apply" as this is not the case. <p>The board then considered recommendations from the finance and audit sub-committee and:</p> <ul style="list-style-type: none"> approved the Big Local Trust annual reports and audited accounts for 2015-16, subject to the amendments agreed approved the Local Trust annual report and audited accounts for 2015-16, subject to the amendments agreed approved the signing of the letter of recommendation. <p>5.3 Auditors</p> <p>Trustees considered the reappointment of CCW as auditors for Local Trust and Big Local Trust for 2016-17</p> <p>The board:</p> <ul style="list-style-type: none"> agreed to re-appoint CCW for Local Trust and Big Local Trust as auditors for 2016-17 <p>Daniel and Naziar then left the meeting.</p>	<p>Staff to follow up on audit findings report recommendations</p>
<p>6. AGM</p> <p>The meeting was then suspended to hold the Local Trust AGM.</p>	
<p>7. Strategic discussion</p> <p>Matt introduced himself and presented his analysis of Local Trust and the organisation's future priorities.</p> <p>Highlights included:</p> <ul style="list-style-type: none"> questioning current delivery models, including whether every area needs support in the manner currently offered, and what scope there is to work 	

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<p>with delivery partners UnLtd and Renaisi in different ways</p> <ul style="list-style-type: none"> revisiting Local Trust's core narrative with the board, to refresh how we describe ourselves the need for additional staff capacity, particularly in the area of finance and to meet a strategic gap in partnership, public affairs and external delivery capability relocating Local Trust's offices, to accommodate additional staff and create a more dynamic working environment a review of our approach to evaluation, finding ways to aggregate the data we have, and building a clearer evidence base around impact. <p>Matt intends to visit a significant number of Big Local areas in his first year at Local Trust.</p> <p>The following questions and comments were then raised:</p> <ul style="list-style-type: none"> In discussion around the importance of Local Trust's relationship with the Big Lottery, Matt confirmed that he was meeting senior staff and two Lottery Board members shortly. He has already had a positive meeting with Peter Thurston, the Protector. There was general support for proposed plans and developments, particularly additional staff capacity, subject to these costs being capable of being met from within available resources. <p>Summing up the board's views, Kevin confirmed that the board welcomed Matt's ideas and that the board was content for him to push ahead with rapid recruitment to address staffing issues. The detail of this was for the Chief Executive to determine under his delegated authority on staffing; the board's role here was to be satisfied that funding sources had been identified and were appropriate and the board looked forward to receiving Matt's written confirmation in that respect. The board was happy to deal with the matter by email in order that the staff could be recruited as quickly as possible.</p> <p>There were no further questions and the board therefore noted the presentation given by Matt Leach.</p> <p>8. Programme delivery</p> <p>Rachel introduced her report and drew members' attention to the local economies item. Following a useful Local Trust round table meeting with a good mix of providers, work is now underway to develop a new support service for Big Local areas. Matt will be closely involved in this from January 2017.</p> <p>The report was noted by the board.</p>	<p>Matt to finalise costs of new structure and liaise with Kevin</p> <p>Rachel to report back on local economies work, as and when information is available</p>
<p>9. Research, evaluation and learning</p> <p>9.1 Big Local Trust – update of research, evaluation and learning</p> <p>Jayne introduced the report and the following comments were made:</p> <ul style="list-style-type: none"> It was felt that the board needed to do more than just note this report, and should agree what is going to happen. Jayne added that this is part of the local economies work and Rachel 	

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<p>added that a decision on what goes ahead will be made in January when Matt is in post and the budget is agreed.</p> <p>There were no further questions and the report was noted by the board.</p> <p>9.2 Local Trust – update on the Empowered Communities in the 2020s project</p> <p>Jayne introduced the report and informed trustees that the first steering group meeting had taken place, with trustees Daniel and Alice involved as members. It was a positive meeting. The tender for the research work is out.</p> <p>In answer to a question raised about the makeup of the advisory group, members were informed that there was a mix of skills and people and that there were three places available to fill with additional skills. There is an application process for membership.</p> <p>There were no further questions or comments and the report was noted by the board.</p>	
<p>10. Finance report</p> <p>Big Local Trust</p> <p>Jonathan and Nicola introduced the report.</p> <p>Nicola informed members that between 1 April and 30 September 2016, £21.6m was spent and that this was substantially higher than forecast, but was a result of higher than expected funding to Big Local areas, and increases to constructive obligations.</p> <p>Cashflow was £3m higher than that predicted by end of September 2016. The spend forecast for the end of the year is also likely to be higher than predicted, but plan funding is linked to areas’ funding plans which is not controlled direct by Local Trust.</p> <p>The following questions and comments were then raised:</p> <ul style="list-style-type: none"> • Kevin requested that finance reports to the board include a breakdown against budget on a quarterly basis (the report included figures to the 31 October, rather than the financial quarter to 30 September). • It was helpful to have headline data on constructive obligations and actual spend. <p>There were no further questions or comments and the following recommendations were taken. The board:</p> <ul style="list-style-type: none"> • accepted the head of finance’s report for the period ending 31 October 2016 and agreed to grant delegated responsibility for agreeing changes within the existing 2016-17 budget to Matt Leach (after his date of employment), as outlined in paragraph 36 of the report. <p>Local Trust</p> <p>Nicola introduced the report and advised members that it was the first one and a simple brief update.</p>	<p>Nicola to ensure that quarterly figures are included in management accounts</p>

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<p>There were no questions or comments and the following recommendation was taken. The board:</p> <ul style="list-style-type: none"> • accepted the head of finance's report for the period ending 30 September 2016. 	
<p>11. Investment – Big Local Trust</p> <p>Minutes of the previous meeting</p> <p>The minutes of the investment sub-committee meeting on 11 October 2016 were received by the board.</p> <p>Investment update</p> <p>Penny introduced the report and recommended that the board accept the report.</p> <p>There were no questions or comments raised and the recommendations were therefore taken. The board:</p> <ul style="list-style-type: none"> • accepted the investment report for the quarter ended 30 September 2016 • agreed to continue to follow the current ethical and responsible investment policy for 2016-17, with the removal of CCLA's Living Wage engagement, and delegated the agreement of the final wording to the investment sub-committee. 	
<p>12. Communications – Big Local Trust</p> <p>The board received the update on communications and the following questions and comments were raised:</p> <ul style="list-style-type: none"> • Regarding social media, Jessica said that she was currently looking at social media impact and trying to rebalance social media to create more conversations. • Members also felt that there was a lot to be thought about for the future and that a session on communications at the board awaydays would be helpful. <p>There were no further questions or comments raised and the board noted the report.</p>	
<p>13. Chief executive report – Big Local Trust</p> <p>Ben H introduced the report and updated members on the proposal by Young Advisors that Local Trust might take over its remaining funding and legacy when it closes. He advised that they are a strong strategic fit and would like Local Trust to take over the project.</p> <p>The following questions and comments were then raised on the subject:</p> <ul style="list-style-type: none"> • Penny asked about additional resources needed and Ben H responded that the resources required would be minimal. • Members felt that this should be looked at for use solely within Big Local areas, and Kevin responded that nothing could be confirmed until the due diligence has been completed. 	

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<ul style="list-style-type: none"> • Matt also added that if the board did want to take on Young Advisors the Protector would want it to be on the basis that it was for the benefit of Big Local areas. Kevin also added that there would be a conversation about this with Big Lottery. <p>There were no further questions or comments and the report was therefore noted by the board.</p> <p>Members also agreed to move to the next stage of due diligence with Young Advisors.</p>	
<p>14. Any other business</p> <p>On behalf of the board, the chair thanked Ben for his sterling work as interim chief executive and wished him well for the future.</p> <p>There was no other urgent business and the meeting closed at 4.50pm</p>	
<p>Full board meetings 2-5pm</p> <p>23 March 2017</p> <p>Finance and audit sub-committee 2-5pm</p> <p>2 March 2017</p> <p>Investment sub-committee 2pm to 4.30pm</p> <p>27 February 2017</p>	