

# Local Trust board meeting minutes, decisions and actions

10 July 2020

10.30am-12.30pm via video call

Discussion and decision	Action
<p><b>Present</b></p> <p><b>Trustees</b></p> <p>David Warner (chair), Sahil Khan, Ben Lee, Jeannette Lichner, Caroline Macfarland, Karen Mellanby, Peter Mills, Nicola Pollock, Kevin Sugrue, Bob Thust, and Rich Wilson</p> <p><b>Non-trustees</b></p> <p>James Goodman, Matt Leach, Rachel Rowney, Verity Soons (minutes)</p>	
<p><b>1. Welcome and Introduction and Apologies</b></p> <p>The chair welcomed trustees and staff to the meeting.</p> <p>Miatta Fahnbulleh and Rosie Chapman had sent apologies for the meeting.</p>	
<p><b>2. Declarations of interest</b></p> <p>Peter Mills, owner, Brand Ethos (commissioned by UnLtd, delivery partners for Big Local).</p>	
<p><b>3. Minutes of last meetings and matters arising</b></p> <p><b>3.1. Approve minutes of board on 20 May 2020</b></p> <p>The minutes of the meeting of 20 May 2020 were <b>agreed</b> as an accurate record subject to a change recommended by Nicola Pollock to para 4.3;</p> <p><b><i>The board agreed to delegate decision making to the finance and investment committee to implement the approach following further discussions at the finance and investment committee meeting with CCLA.</i></b></p> <p>The board <b>agreed</b> the change to the May minutes.</p> <p><b>3.2. Matters arising/action points not covered by the agenda</b></p> <p>The update on actions from the last meeting was reviewed; it was noted that all were being actioned or formed part of the agenda for the meeting.</p>	

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<p data-bbox="172 264 794 297"><b>4. Committee proceedings and governance</b></p> <p data-bbox="159 342 852 376"><b>4.1. Chairs committee – 5 May and 19th May 2020</b></p> <p data-bbox="172 421 1212 488">The board <b>noted</b> the minutes of the chairs COVID-19 response committee from 5<sup>th</sup> and 19<sup>th</sup> May 2020.</p> <p data-bbox="159 533 1155 607"><b>4.2. Finance and investment committee - 27 May 2020 and 4.2b note on subsequent correspondence and outcome</b></p> <p data-bbox="172 629 1129 696">The minutes of the May meeting were <b>noted</b>. Nicola Pollock updated the board on subsequent conversations and actions, noting;</p> <ul data-bbox="188 730 1200 1373" style="list-style-type: none"> <li data-bbox="188 730 1200 898">• The committee had spent much of the time discussing whether to sell the bonds and, having heard from CCLA that these were relatively low risk and aware of being well served by CCLA in the past, decided to continue with the current strategy, whilst recognising the need to protect capital to give stability for budget planning as Big Local spends out.</li> <li data-bbox="188 902 1200 1003">• Having communicated this to CCLA, they advised these 2 approaches were incompatible options, and that if our overriding decision were to protect capital, the bonds should be sold.</li> <li data-bbox="188 1008 1200 1176">• The finance and investment committee discussed this further via correspondence and agreed unanimously that protecting capital was the right approach. This had been actioned by CCLA, and all bonds sold by the end of June 2020. A new investment management agreement was now being finalised with CCLA.</li> <li data-bbox="188 1180 1200 1373">• The board noted that no investment was risk free, as even banks could close down. This was mitigated by active management by CCLA and diversification across financial institutions. Inflation was also a risk, which the committee had discussed last year and accepted, and is built into budget forecasts (at 3%). Jeannette Lichner commented that there was no in indication at present that this will rise above recent, historic levels.</li> </ul> <p data-bbox="172 1413 1193 1480">Board confirmed its agreement that the investment policy should be revised to prioritise the protection of the nominal value of capital.</p> <p data-bbox="159 1514 842 1547"><b>4.3. Programme Delivery Committee 4 June 2020</b></p> <p data-bbox="180 1581 783 1615">The minutes of the June meeting were <b>noted</b>.</p> <p data-bbox="180 1648 1142 1715">Rachel Rowney updated the board regarding the outcome of the situation relating to Dartford Big Local.</p> <ul data-bbox="188 1720 1209 2022" style="list-style-type: none"> <li data-bbox="188 1720 1209 1787">• The programme committee had discussed in depth and agreed the withdrawal of support from Dartford BL</li> <li data-bbox="188 1792 1209 1892">• The partnership had been contacted in writing after the committee to formally advise of the decision. No response to the letter had been received to date.</li> <li data-bbox="188 1897 1209 2022">• The board noted that a few days before the decision, a letter was received by David Warner personally in relation to the ongoing situation. This had since been passed to Rosie Chapman, Protector, who reviewed the Local Trust processes undertaken to reach the conclusion.</li> </ul>	

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<ul style="list-style-type: none"> <li>• Rosie Chapman concluded that Local Trust had acted appropriately and in line with all formal processes and had written to the partnership to advise of her conclusion. She had also provided feedback to management on handling future complaints.</li> <li>• Dartford community hub had been contacted directly to outline the requirements of them in operating a hub purchased with Big Local funding and deadlines for action had been set. This was informed by legal advice.</li> </ul> <p>The board noted that the challenges in Dartford Big Local had raised the issue of how to protect assets brought with big local money and terms and conditions of funding were being amended to support this process. The team were also exploring how to encourage and support Big Local areas who were incorporating to better manage their governance going forward. This would be progressed further in the autumn. Around a third of Big Local areas had acquired assets using Big Local funds but the range of spending allocated to these purchases varied greatly from area to area.</p> <p><b>4.4. Approval of vice chair nomination (oral)</b></p> <p>David Warner introduced the item to the board noting that this had been an outstanding issue that had been originally raised at the time of his nomination as the successor Chair.</p> <p>Originally, two nominations had been received for the position and no new nominations had subsequently been received. One of the nominated trustees was not in a position to take on the additional responsibilities at this time.</p> <p>Nicola Pollock shared that following a discussion with David, they felt an appointment based on a dated conversation was not the right course of action and that a new process should be undertaken as part of the upcoming governance review. Given the changes to board membership since the original decision to have a nominated vice chair, next steps would be to explore the role further and how it might compliment the chair and support the rest of the board.</p> <p>The board <b>noted</b> the recommendation to elect a vice chair following the conclusion of the governance review.</p>	
<p><b>5. Governance Review</b></p> <p>David Warner introduced the item, noting that the intention was, subject to final comments on the scope of the review, to tender for the contract as soon as possible and to progress the governance review over the remainder of the summer.</p> <p>The board had no further comments on the scope for the review which was shared via email on 26 June. The board agreed that a small subgroup of trustees should be available to manage the tender process for an external consultancy alongside the chair. Bob Thust and Rich Wilson nominated themselves to support the process.</p>	

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<p>The board <b>agreed</b> for the Chair to initiate next steps with Bob and Rich to appoint a consultant to conduct the review. Trustees would share any information on possible candidates for the contract directly with the Chair.</p>	
<p><b>6. Chief Executive's report</b></p> <p>Matt Leach introduced the report, bringing the following to the attention of the board;</p> <ul style="list-style-type: none"> <li>• Local Trust was continuing to support the work of the Community Wealth Fund campaign and were pleased that it appeared to be gaining new traction.</li> <li>• Local Trust were supporting the Power to Change Community Moment/Community Power project with Locality and NLGN, of which one of the recommendations was for the creation of a community wealth fund.</li> <li>• Ongoing programme work and the review of LTOs and area issues, noting that whilst a couple of problematic areas remained, the overall level of difficulty in areas had decreased slightly and Big Local delivery looked to be resuming in the small number of areas that had stalled due to COVID-19.</li> <li>• Connects at Home was taking place from Thursday 9 to Saturday 11 July with a selection of online sessions. Approx. 250 people from Big Local areas had joined for the opening session.</li> <li>• Now in a position to move forward on work with areas at risk of not spending out and new GMS system.</li> <li>• SMT were now considering a new risk in relation to areas who may find they have insufficient money to achieve the ambitions or activities that they were planning for.</li> </ul> <p>The board noted and discussed the update and key points were noted/raised as follows;</p> <ul style="list-style-type: none"> <li>• David Warner and Matt Leach were looking to meet with the new Chair of the NLCF England committee after the summer to discuss Big Local.</li> <li>• Big Local areas had been engaging well with weekly drop in sessions and the TSRC work to share their responses to the pandemic. Ryan Herman had been publishing blogs on the website to share this response more widely.</li> <li>• Only 9 Big Local areas had paused delivery since the first stage of the crisis but many are now active again.</li> <li>• The success of using of digital communication methods had been incredible with 131 areas having taken up zoom licences and 288 people having received training. 1300 zoom meetings had taken place in May and June.</li> <li>• A new partnership with Good Things Foundation had been established to support Big Local partnerships to tackle digital inclusion.</li> </ul>	<p>Share links to Ryan Hermans blogs.</p>

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<ul style="list-style-type: none"> <li>• The impact of the BLM movement had been different across Big Local communities with some finding it presenting a good opportunity to engage and demonstrate good practice.</li> <li>• Local Trust had responded to Black Lives Matter by issuing an early public statement and engaging with staff on how to focus on strategic goals with the relevance of BLM. BRAP had been engaged to work with Local Trust to address issues of equality and diversity. The scope of this work was still being developed and trustees would be updated at the September or November board meeting.</li> <li>• There would be a series of diversity and inclusion sessions online in the autumn for Big Local areas to participate in and will include helping partnerships consider what a 'reflective' partnership might look like in their community.</li> <li>• Gabriel Davies had been supporting the Community Leadership Academy work and a more permanent arrangement was now being explored. A team approach would be taken to managing the CLA and Local Trust were working with Koreo and the Young Foundation to explore what this might look like. The programme was being amended to ensure delivery could be moved online which would allow the 1<sup>st</sup> cohort to go ahead following successful completion of the pilot. The programme delivery committee would receive a report in November which would later be received by the board.</li> <li>• A paper would be shared with trustees which reported back from the policy panel consultation.</li> <li>• Despite some ongoing issues in a couple of Big Local areas, management were confident that there was enough remaining time in the programme to restart a partnership where that already was or might become the required course of action.</li> </ul>	<p>Add BRAP update to Sept/Nov board agenda as part of CEO update</p> <p>Rachel to share information about online sessions in the autumn with trustees</p> <p>CLA update in Nov/March depending on timings.</p> <p>Share policy paper with trustees</p>
<p><b>7. Performance, risk and finance and investment report</b></p> <p>Matt Leach introduced the papers, and indicated there was nothing specific to draw to the attention of the board.</p> <p><b>7.1. Local Trust business plan monitoring to 30 June 2020</b></p> <p>The board <b>noted</b> the Local Trust business plan monitoring report to 30 June 2020</p> <p><b>7.2. Big Local Trust management accounts to 31 March 2020</b></p> <p><b>7.3. Local Trust management accounts to 31 March 2020</b></p> <p>The board <b>noted</b> the Big Local Trust and Local Trust management accounts to 31 March 2020 with no further comments.</p> <p><b>7.4. Big Local Trust investment report to 31 March 2020</b></p> <p><b>7.5. Local Trust investment report to 31 March 2020</b></p>	

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<p>The board <b>noted</b> the Big Local Trust and Local Trust investment reports with no further comments.</p> <p><i>Jeannette Lichner left the meeting</i></p> <p><b>7.6. Risk register as at 30 June 2020</b></p> <p>The risk register had been significantly updated to reflect the current situation and further revisions would be expected in the autumn.</p> <p>The board noted that the “risk of investment losses due to external factors – enhanced by COVID-19” had been removed from the register. This was because whilst the move to a cash portfolio was not entirely risk free, the risk in the portfolio was now significantly less than that of holding equities in an uncertain economic environment. As the commitment to areas was held in cash, there was no real threat to the ability to award the full £1m to all 150 areas. Should inflation impact over the coming years this may have an effect and the risk would be discussed and addressed as needed.</p> <p>The board noted the explanation and recognised that the overall financial risk faced was now significantly less than at the same point last year. The board asked that the audit and risk committee discuss this at their next meeting and take a view on if it should be reinstated as an active risk on the register.</p> <p>Trustees also noted that the new risk in relation to future government policy and the consistency with Local Trusts longer term agenda was currently stated as red. The board asked the audit and risk committee to also review this risk to ensure this scoring was correct.</p> <p>The board <b>accepted</b> the report.</p> <p><b>7.7. Changes to finance manual and reserves policy</b></p> <p>Matt Leach introduced the paper with nothing further to draw to the attention of the board.</p> <p>The board <b>agreed</b>;</p> <ul style="list-style-type: none"> <li>• That no changes be made to Local Trust’s social investment policy</li> <li>• the charity’s approach to social investments impairment</li> <li>• the proposed changes to Local Trust reserves policy</li> </ul> <p>The board <b>noted</b> the updates to the Local Trust finance manual.</p>	<p>Audit and risk committee to discuss removal of <i>risk of investment losses due to external factors – enhanced by COVID-19</i> and the representation of investment risks and interrogate the new risk on future government policy in relation to LT long term agenda.</p>
<p><b>8. COVID Action Plan - progress report</b></p> <p>Rachel Rowney introduced the report which set out progress against Local Trust’s COVID-19 Response Plan noting that the organisation was now in a steady and stable state and beginning to progress work that COVID-19 had previously halted.</p> <p>The board noted that, in general, the staff were coping well with the situation and productivity, innovation and enthusiasm remained high. Some staff members were beginning to express a desire to return to the office. This was</p>	

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<p>being discussed with staff openly and there would be no change to the current working arrangements until such as time as government guidance was amended. Any future return to the office would need to be well balanced to ensure that vulnerable and shielding colleagues were also considered as their return may take longer.</p> <p>There were still some areas of homeworking that would need to continue be worked on to ensure wellbeing and productivity and these included;</p> <ul style="list-style-type: none"> <li>• Developing a way for staff to engage more with Big Local areas</li> <li>• Encouraging the micro interactions without over-engineering the team communication channels.</li> <li>• Continuing to maintain and build the culture of sharing experiences.</li> </ul> <p>There had been ten new starters join the staff team since the beginning of lockdown and they were settling in well despite the challenges of starting a new job from home.</p> <p>The Board <b>noted</b> the update and the paper.</p>	
<p><b>9. Business Plan review and update</b></p> <p><b>9.1. Update to Business Plan, following COVID</b></p> <p>Matt Leach introduced the papers which set out an amended version of the Business Plan to be noted alongside the draft changes to financial forecasts as a result of the crisis provided at item 9.2.</p> <p>SMT had reviewed the strategic framework and business plan. The assessment was that the direction agreed by the board in March for the strategic framework was still relevant and the objectives achievable, but that the business plan for the next year would need some amendments.</p> <p>The Board noted the update and the paper and key discussions/points raised were as follows;</p> <ul style="list-style-type: none"> <li>• There was some considerable catching up to do in 2021-22 to meet targets and trustees noted that SMT were confident that this would be possible.</li> <li>• There was a greater risk for the areas already at risk of not spending out, or which had overly ambitious large-scale plans, due to timelines now being even shorter. Steps would need to be taken to ensure that the right support offers were in place to support work with these areas.</li> <li>• Rachel noted that at the next meeting of the audit and risk committee there would be a new risk relating to ineffective budgeting of Big Local area plans. Steps were being taken to introduce learning for areas to develop good governance, this was work that had previously not been planned for.</li> <li>• There was no significant concern around timescales for delivery of the programme that indicated a need to discuss timeframes with the NLCF.</li> <li>• The next planned review meeting with TNLCF was in 2021-22 – TNLCF had indicated this might be later rather than earlier in the year.</li> </ul>	

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<ul style="list-style-type: none"> <li>• The executive were confident that work on legacy plans would recover well. The need to reconsider aims and priorities during the pandemic had, for some areas, led to a better formed approach to their legacy planning.</li> <li>• Just Ideas had been commissioned to develop a toolkit for areas and reps to draw out learning to feed into legacy plans.</li> <li>• Previous scenarios planning and horizon scanning work was popular with areas and this would be re-worked and published in the autumn as a toolkit for long term thinking in communities.</li> </ul> <p>The board <b>accepted</b> the revised business plan.</p> <p><b>9.2. Initial reforecasting of financial situation</b></p> <p style="margin-left: 20px;"><b>a. BLT forecast 2020-21</b></p> <p style="margin-left: 20px;"><b>b. LT forecast 2020-21</b></p> <p>Matt introduced the papers noting that the figures provided were draft and not intended to be a finalised revision of the budgets.</p> <p>The board noted that approx. 40% underspend was expected by Big Local areas as a result of COVID-19 creating delays and it was too early to tell if there would be a recovery from this. Each year there was usually considerable spending on travel, childcare and accommodation to support residents from Big Local areas to attend events which have subsequently not happened this year. This resource would be reallocated to provide new types of area support as needs were emerging.</p> <p>The board <b>noted</b> the spend allocation from the COVID-19 response contingency budget.</p> <p>The board <b>accepted</b> the forecasts with no further comments and noted that a fully re-forecasted budget would be brought to the board meeting in the autumn for approval.</p>	
<p><b>10. Any other business</b></p> <p>Trustees noted;</p> <ul style="list-style-type: none"> <li>• The policy sounding board was still meeting as and when required and was made up of David Warner, Miatta Fahnbulleh, Rich Wilson, Bob Thust and Caroline Macfarland.</li> <li>• The nominations committee would discuss the trustee terms of office ending in November and next steps would likely form part of the governance review.</li> </ul> <p>Overall, trustees felt it had been a good meeting and that Local Trust had showed a great ability to adapt during this period.</p>	



## **Dates for future meetings**

### **Board and AGM**

- **Thursday 24 September 2020** - TBC [likely all day commitment – includes visit and Board meeting]
- **Wednesday 25 November 2020** - TBC - (including AGM) - [likely all day commitment – includes visit and Board meeting]

### **Board Awayday**

- **Thursday 21 and Friday 22 January 2021** [two day commitment – includes visit, dinner, overnight stay and awayday to finish around 4pm]

**Programme committee (at Local Trust offices)** - All meetings are 2-4.30pm unless otherwise stated

- Wednesday 9 September 2020
- Wednesday 4 November 2020

**Finance and investment committee (at Local Trust offices)** - All meetings are 2-4.30pm unless CCLA are in attendance in which case the meeting will run until 5pm

- Tuesday 1 September 2020
- Wednesday 11 November 2020

**Audit and risk committee (at Local Trust offices)** - All meetings are 2.30-5pm unless otherwise stated.

- Wednesday 7 October 2020

**Nominations committee (at Local Trust offices)**

- Wednesday 22 July 2020 – 2.30-4.30pm
- Thursday 15 October 2020