

Local Trust board meeting minutes, decisions and actions

25 November 2020

Zoom, 9.30am - 12.30pm

| Discussion and decision | Action |
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| <p>Present</p> <p>Trustees</p> <p>David Warner (chair), Kevin Sugrue, Sahil Khan, Ben Lee, Jeannette Lichner, Caroline Macfarland, Peter Mills, Nicola Pollock, Rich Wilson</p> <p>Non-trustees</p> <p>Margaret Bolton, Rosie Chapman (Protector), James Goodman, , Matt Leach, Jessie Powell (items 10 and 11), Rachel Rowney, Verity Soons and Frankie Sykes (minutes) and Jessica Wenban-Smith (items 10 and 11), Mags Porter, Liz Cross (The Connectives)</p> | |
| <p>1. Welcome and Introduction and Apologies</p> <p>The chair welcomed trustees and staff to the meeting. Mags Porter and Liz Cross from The Connectives were observing as part of the governance review.</p> <p>The chair noted that this was Kevin Sugrue and Ben Lee’s final board meeting as trustees and thanked them for their service and contributions to Local Trust.</p> <p>Apologies were received from Miatta Fanbulleh, Karen Mellanby and Bob Thust. Peter Mills and Caroline Macfarland were to join the meeting late. Caroline would need to exit the meeting at 10.50am and would re-join after the AGM.</p> <p>Jess Wenban-Smith and Jessie Powell would join the meeting for items 10 and 11.</p> | |

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| <p>2. Declarations of interest</p> <p>There were none.</p> | |
| <p>3. Minutes of last meetings and matters arising</p> <p>3.1. Approve minutes of board on 24 September 2020</p> <p>The minutes of the meeting of 24 September 2020 were agreed as an accurate record.</p> <p>3.2. Matters arising/action points not covered by the agenda</p> <p>The board noted the actions update paper and that there were no new matters arising.</p> | |
| <p>4. Committee proceedings</p> <p>4.1. Audit and Risk 7 October 2020</p> <p>The board thanked Rachel Rowney for her diligent review of the annual report and work on the risk register. The annual report would be discussed at item 7.</p> <p>The minutes of the meeting that took place on 7th October 2020 were noted.</p> <p>4.2. Programme Delivery Committee 4 November 2020</p> <p>The minutes of the meeting that took place on 4th November 2020 were noted.</p> <p>The chair shared an update on behalf of Peter Mills noting;</p> <ul style="list-style-type: none"> • Thanks to Ben and Kevin for their support to the programme delivery committee • Proposed activity for areas at risk of not spending out (RONSO). RONSO work would feed into wider conversations with The National Lottery Community Fund regarding the deed in 2021. • Great enthusiasm for the progress made by the Community Leadership Academy. <p><i>Caroline Macfarland joined the meeting</i></p> <p>The board discussed implications for Big Local areas who invested in property and which may now be at risk due to restrictions related to the Covid-19 pandemic. Rachel Rowney noted that the risk register had been</p> | |

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| <p>amended to reflect this risk and it was noted that further work on asset protection may need to be implemented in the next six to twelve months to further mitigate this risk. Future papers would be presented to the Programme Delivery Committee and Board.</p> <p>The board noted the Financial Conduct Authority’s interest in immediate anecdotal evidence of the effects of the pandemic on levels of personal debt in deprived areas and that they might welcome the opportunity to access any information available from Big Local areas. Should they be interested, any requests for information could be submitted to James Goodman to be passed to Big Local areas through the partnerships team. However, official data on levels of indebtedness or unsecured credit may not become clear until 2021 owing to the lag between official statistics (accessible by Big Local areas through ‘Local Insight’) and real life.</p> <p>4.3. Finance and Investment Committee 11 November 2020</p> <p>The minutes of the meeting that took place on 11 November 2020 were noted.</p> <p>Nicola Pollock updated the board on the discussion at the committee meeting relating to a presentation from CCLA on risk in relation to Big Local Trusts’ cash investments and recent changes in the money markets. The Board noted that whilst the portfolio had been de-risked as much as possible, nothing was risk free and the core risks faced in the cash portfolio were inflation and eroding capital. Mitigations had been put in place with 3% inflation built into operating budgets, however negative interest rates remained the main risk.</p> <p>CCLA presented various approaches to mitigate against eroding capital as a result of negative interest and these were discussed in depth by the finance and investment committee. Investment co-optees were present to provide additional insight. It was noted that a reduced fee had already been negotiated with CCLA under the investment management agreement and further reduction, and mitigation against erosion of the capital fund, could only be obtained by removing some funds from the IMA and therefore the management of CCLA.</p> <p>The committee concluded that the consequences of doing this would not equate to reasonable effort or benefit in the return. The act would result in considerably more time required for reporting, investment in additional resource to manage the fund and increased financial responsibility for trustees – all of which would nullify the saving made. The committee recommended to the board to continue with investment strategy in place and to note CCLA would continue to flag any changes which might affect this in the future.</p> | |

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| <p>The board accepted the recommendation from the finance and investment committee.</p> | |
| <p>5. Performance, risk and finance and investment</p> <p>5.1. Local Trust business plan monitoring to 10 November 2020</p> <p>The board noted the paper and that good progress had been made towards planned objectives for the year, with the majority of targets being on track to being achieved. The board noted progress against targets 1.3, 1.4 and 8.4 as detailed in the paper and that these remained amber, having been impacted by the pandemic.</p> <p>5.2. Big Local Trust investment report to 30 Sept 2020</p> <p>The board noted the Big Local Trust investment report to 30 September 2020, noting that the report was simplified greatly since the move to a predominantly cash investment portfolio.</p> <p>5.3. Risk register as at November 2020</p> <p>Rachel Rowney introduced the risk register, noting;</p> <ul style="list-style-type: none"> • it was the first time the register had been received in this format at a full board meeting. • Rachel had worked with Jeannette Lichner and the SMT to revise the register, aligning it more clearly with organisational goals. • Two papers were submitted for the board - a full risk register and a summary register of prioritised risks (with inherent risk of 15+). • The new register had been received at all committees in the last quarter and comments and amendments had been made following those conversations. <p>Jeannette Lichner noted the importance of the fiduciary responsibility for trustees to be actively discussing and aware of risks, and that the revised register should help to generate better discussion on what the top risks were.</p> <p><i>Peter Mills joined the meeting</i></p> <p>The board noted the register and welcomed the new style, commenting that it was a more useful format and that the prioritisation and addition of strategic objectives was helpful.</p> <p>The board discussed the prioritised risks and the process by which they were prioritised, noting that this had also been discussed at length in SMT. Risk definitions were largely unchanged from the previous register and where previously the risks had been scored on the overall impact on the business,</p> | |

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| <p>they were now based on likelihood of not delivering a strategic outcome, however this was not yet fully clear in the way the register was being presented. Future iterations of the register would address this.</p> <p>5.4. Big Local Trust management accounts to 30 Sept 2020 and Mid-Year Review of budgets</p> <p>Rachel Rowney introduced the paper, noting:</p> <ul style="list-style-type: none"> • A reforecast was included which reflected changes since the budget was first agreed in March. • Grants expenditure was still lower than expected and this would be further considered in the context of the 15-year budget which would be received by the board in March 2021. <p>The board discussed the following:</p> <ul style="list-style-type: none"> • Work was happening to ensure that we remained confident that Big Local areas would spend out, although the number of RONS0 areas was expected to increase in coming months as the impact of the pandemic emerged. Trustees noted the RONS0 paper from the last programme delivery committee was available to read in directorpoint. • The team were monitoring area spend closely and messaging to areas remained clear that the programme end date was 2026. • Some areas were building local partnerships and looking to allocate Big Local funds to part-fund projects. This would be discussed at board in future meetings for a steer. • The board would be included in any discussions to prepare for the review of the deed with TNLCF in the second half of 2021 and an extraordinary meeting would be scheduled if necessary. The impact of the pandemic would be more apparent in summer/autumn 2021 and approaches could be better considered at that time. • There would be a deep dive on state of the programme at trustee away days in September 2021. <p>The board approved the Big Local Trust managements accounts to 30 Sept 2020 and mid-year review of budgets</p> <p>5.5. Local Trust management accounts to 30 September and mid-year review of budgets</p> <p>Rachel Rowney introduced the paper, noting:</p> <ul style="list-style-type: none"> • Creative Civic Change (CCC) showed a small underspend | |

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| <ul style="list-style-type: none"> Conversations were taking place on how policy and influencing budget could be better reflected to give a more holistic view as it currently remained split across the Local Trust and Big Local Trust budget papers. <p>The board noted the update and approved the Local trust management accounts to 30 Sept 2020 and mid-year review of budgets</p> <p>5.6. Future funding commitments 2021-22</p> <p>Matt introduced the paper, bringing to the Boards attention two items for approval to enable the budget for March 2021 to be fully constructed;</p> <ul style="list-style-type: none"> Allocation of £150k for the TSRC project to the 2021-22 budget from the underspend from this year’s strategic learning budget. Allocation of £100k from the CDF legacy funds for 2021-22 to enable funding of the CWF campaign to continue. <p>Matt confirmed to the board that the important TSRC research with Big Local areas and enable greater understanding of what was happening throughout the pandemic and into recovery and had also encouraged Local Trust to reconsider evaluation methods. Initially the work had been expected to end by March 2021, however, it was now clear that the emergence from lockdown would be later than originally expected. Due to this, an extension to the research project throughout 2021 would enable the continuation of important data capture and analysis. Trustees noted that the work would also contribute to RONS0 and area re-boot work as well as providing an extensive external source of data.</p> <p>Trustees discussed the proposal and noted;</p> <ul style="list-style-type: none"> Their enthusiasm for the work. Costs for a further 9 months were anticipated to be less than the first 9 months due to a lack of start-up costs required for this period. The research had the potential to provide important contextual information to support work with areas at risk of not spending out (RONS0 areas). The executive team were satisfied with the direction of travel for the research and noted that it had been meticulously planned with clear outcomes in mind when it was commissioned. Some of the positive lessons from the research commissioning process would be reflected on as we develop future research plans. <p>The board agreed the allocation of £150k in the 2021-22 budget from the underspend in the 2020-21 strategic learning budget to enable an extension to the research project being undertaken by TSRC.</p> | |

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| <p>Matt confirmed to the board that the request for an in-principle allocation of CDF legacy funds would enable match funding to be sought to secure the extension of the community wealth fund team and work to be funded beyond March 2021. The community wealth fund team was currently funded wholly from CDF legacy funds until March 2021.</p> <p>The board noted the update and agreed the allocation of £100k from the CDF legacy funds for 2021-22 to enable funding of the CWF campaign to continue.</p> | |
| <p>6. Governance Review Update</p> <p>The chair invited Liz Cross and Mags Porter from the Connectives to join the discussion.</p> <p>Liz updated the board, noting that the team was ensconced in the discovery and research phase of the governance review, including 1-2-1 conversations with trustees and senior management. A question remained about how to efficiently test against the charity governance code and options were being explored with Rosie Chapman. The Steering Group had been fostering positive emergent thinking and at the January away days the aim would be to engage in conversation with the wider group of trustees and to achieve some shared views on good governance.</p> | |
| <p>7. Annual Reports and Accounts</p> <p><i>Caroline left the meeting</i></p> <p>7.1. Annual report and accounts 2019-20 cover note</p> <p>Jeannette Lichner introduced the item, bringing the following to the attention of the board;</p> <ul style="list-style-type: none"> • A clean audit had been achieved for 2019-20. • The process with Moore Kingston Smith and been smooth, especially given the circumstances under which the audit was conducted this year and amended processes due to the pandemic. • Committee procedures had been amended this year to ensure a holistic oversight from trustees - finance and investment committee members had been invited to participate in the meeting with the auditors. • All papers in relation to the annual report and accounts had been shared with trustees in advance this year due to size of the documents. • There had been changes to the charity governance code and comments from Moore Kingston Smith were noted in the audit management report. | |

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| <p>The Board noted the update and discussed/noted;</p> <ul style="list-style-type: none"> • Congratulations to the team for a clean audit report • Minor tweaks to wording had been submitted outside of the meeting and would be amended in the final iteration. None of these were substantive and would not change the content of the reports. <p>7.2. Audit Management report for Local Trust for 2019-20</p> <p>The board noted the audit management report for Local Trust for 2019-20.</p> <p>7.3. Local Trust Annual Report and Accounts 2019-20</p> <p>The board noted and approved the Local Trust Annual Report and Accounts 2019-20 with no further comments.</p> <p>7.4. Big Local Trust Annual Report and Account 2019-20</p> <p>The board noted and approved the Big Local Trust Annual Reports and Accounts 2019-20 with no further comments.</p> <p>7.5. Letter of representation for Local Trust 2019-20</p> <p>The board noted and approved the letter of representation for Local Trust 2019-20 with no further comments.</p> <p>7.6. Letter of representation for Big Local Trust 2019-20</p> <p>The board noted and approved the letter of representation for Big Local Trust 2019-20 with no further comments.</p> | |
| <p>8. Amendment to articles of association</p> <p>Verity Soons introduced the amendment to articles of association noting that at its meeting on 24th September 2020 the board were asked to agree to an amendment to the Articles of association to remove the necessity to meet in person at least two time a year.</p> <p>The board noted the passing of the written special resolution by the trustees on 2nd November 2020 and that the necessary filings had since been made to The Charity Commission and Companies House.</p> <p>The Articles of Association had now been revised and were noted.</p> | |
| <p>The Local Trust AGM took place during the adjournment of the board meeting and the retirement of Kevin Sugrue and Ben Lee was noted.</p> | |
| <p>9. Committee membership</p> | |

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| <p><i>Ben Lee and Kevin Sugrue joined the meeting as observers for the remainder of the meeting.</i></p> <p>Matt Leach presented the paper which proposed that membership of the board sub-committees would remain unchanged until the conclusion and consideration of the recommendations from the governance review.</p> <p>Since Kevin Sugrue and Ben Lee had retired from the board, the audit and risk committee had reduced to three members and the nominations and remuneration committee was already operating with only three members. Trustees were asked to nominate themselves as an additional member for either committee to increase membership of both to four.</p> <p>The board agreed to retain the current membership until the outcome and recommendations from the governance review had been received. Rich Wilson would discuss the possibility of joining the nominations and remuneration committee with the Chair and the Chair would have further discussions with trustees outside of the meeting to confirm the additional members for both committees.</p> <p>The board noted the terms of reference for all committees and agreed to defer further review until after the conclusion of the governance review.</p> | <p>David to speak with individual trustees regarding membership to ARC and Noms & Rem committee</p> |
| <p>10. Chief Executive’s Report</p> <p>Matt Leach introduced the report noting that work on the Left Behind areas research with OCSI has been paused as the impact of COVID-19 on social and economic outcomes across communities was not yet sufficiently reflected in official statistics. This work would recommence in 12-18 months.</p> <p>The board noted the report and update and discussed/raised/noted the following;</p> <ul style="list-style-type: none"> • Focus group research had shown a drop in staff wellbeing since the summer was less related to issues of work and more generally related to the overall impact of the pandemic on daily life. Local Trust continued to implement wellbeing activities for all staff. • Staffing changes would be happening in the programmes and partnerships teams to ensure work was appropriately aligned and managed across the organisation and build capacity in the senior team. <p><i>Jess Wenban-Smith and Jessie Powell joined the meeting</i></p> <p>Margaret Bolton gave an oral update on policy work, bringing the following to the attention of the board;</p> | |

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| <ul style="list-style-type: none"> • 21 Local Authorities were now part of the CWFA – these were predominantly labour, and work continued to encourage commitment from other parties. • Three main strands of work were spending review and government spending, development of the APPG to increase parliamentary awareness (giving a voice to BL and LB communities in Westminster), and developing the Community Wealth Fund (CWF) campaign. • CWFA membership had grown significantly thanks to the new team being in place which included a campaign manager and communications coordinator. • The first convening of the full membership had taken place in the week prior to the board meeting with over 90 people engaging in the discussion and supporting the work. • A policy and advocacy sounding board, which included partnership members, workers and CCC projects, had been set up and they were periodically consulted for input on specific pieces of work. • Work continued to develop relationships with MHCLG, treasury and DCMS officials. <p>The board noted the report and policy update.</p> | |
| <p>11. Communications Strategy</p> <p>Jessica Wenban-Smith introduced the item and gave a presentation which updated on communications activity over the past 12 months. She introduced a discussion on the emerging communications strategy and trustees split into break out rooms for further discussion.</p> <p>The new comms strategy was due for discussion at a board meeting in the first half of 2021 and trustees were asked to feedback on the emerging themes and initial thinking.</p> <p>Feedback from trustees included;</p> <ul style="list-style-type: none"> • Keep highlighting the voice of Big Local areas and developing this further • When talk about policy and wider agenda we must keep in mind our authority and why we can say what we can say – our authority comes from the learning and insight we have gained from the Big Local programme and our ability to authentically present the voice of Big Local areas. • Local Trust has been recognised more externally in the past 12 months – we should continue to build on this. • The need to effectively balance of both evidence based and people-driven reports and stories. | |

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| <p><i>Caroline re-joined the meeting</i></p> <ul style="list-style-type: none"> The value of the stakeholder mapping included with the background papers and the need to keep this under review and up to date <p>James Goodman updated trustees on considerations for the future, including resource and budget scenarios to deliver the new communications strategy.</p> <p>Further feedback from trustees was as follows;</p> <ul style="list-style-type: none"> LT should remain aware other sectors and communities are interested our work and use the information we generate. We may want to further consider our role in this area, exploring how and where we share information in the future, and how it could contribute to legacy. Consider a potential risk area that Left Behind Areas could become highly politically contested in the approach to the next election and we will need to closely manage our position. The voice of the Community Leadership Academy (CLA) –the CLA may be a hook to extend our audience as is of interest to many other leadership bodies in local government, health and education. <p>Trustees noted the discussion and would receive the next iteration of the communications strategy at the meeting in March 2021.</p> <p><i>Rich Wilson left the meeting</i></p> | |
| <p>12. Any other business</p> <p>Verity Soons proposed that the board consider if the Chairs COVID-19 response committee should be disbanded, noting that it had not had a requirement to meet since May 2020 and that COVID-19 reporting was now embedded in regular board business. The board agreed to disband the committee and noted that it could be re-formed at a later date should it be deemed necessary.</p> | <p>VS to cancel any scheduled meetings of the COVID-19 response committee</p> |