

MINUTES OF BOARD MEETING

27 June 2024

Royal College of Physicians, Edinburgh & Teams (hybrid)

ATTENDANCE

In person

Trustees

Jane Smallman (Chair)
Carol White
Clare Jefferis
Eelco de Jong
Jim Gibson
John Finney

Online

Trustees

Damian Aubrey

Staff

David Balharry (CEO) – Chief Executive Officer
Adam Pinder (DIG) – Director of Income Generation
Puja Vashisht (CFO) – Chief Financial Officer
Lesley Caron (IFC) – Interim Financial Controller
Wendy Grindle (HOC) – Head of Communications

Staff

Laura Faulder (SA) – Secretariat
Administrator (minutes)

Apologies

None

1 PRELIMINARIES

1.1 WELCOME, INTRODUCTIONS, APOLOGIES & REGISTER OF INTERESTS

The Chair welcomed all to the Board meeting. The Board welcomed Puja Vashisht as the incoming Chief Financial Officer and Director of Corporate Services. The Board congratulated Wendy Grindle on her being appointed Director of Communications, Engagement and Marketing with effect from 1 July 2024.

No conflicts of interest were raised.

1.2 MINUTES OF THE LAST MEETING (INCL. OUTSTANDING ACTIONS)

John Finney noted that amendments he had requested were not included in the draft Minutes of the March 2024 meeting, Secretariat confirmed that they had been included in the latest version.

The Board **approved** the non-confidential minutes of the March 2024 Board meeting.

N°	From	Action Point	Owner	Status
1	Dec 2019	Abridged fund review spreadsheet to be made available to Trustees	LP	Discharged
2	Mar 2021	Trading Co. Review to ensure it continues to meet the definition of a trading subsidiary of a charity.	LP	Discharged to Trading Co. Board
3	Mar 2021	Annual Review of Investment Policy	LP	Discharged
4	Dec 2023	Arrange meetings of the Finance Committee and Board in early February to consider approval of the 2024 Budget.	LP	Discharged
5	Dec 2023	Follow up with HR team to include Welsh language speaking as a 'desirable' for future recruitment to Wales engagement posts.	DB	Discharged to Leadership Team
6	Dec 2023	Contact John Muir Birthplace Trust to propose second Trust staff member to sit on their Board	DB	Discharged to Leadership Team
7	Mar 2024	Provide an update on the Glenridding Common lease, and possible future management role.	DB	Discharged
8	Mar 2024	Options for cottages at Strathaird to be brought to the June Board	AP/DB	Discharged
9	Mar 2024	Committee Review Report to be forwarded to JVS to LP for review at the June Governance Committee	JVS/LP	Discharged
10	Mar 2024	Update the SoD with the interim Committee and the overdraft / loan wording agreed at Finance Committee. To go to Governance Committee prior to recommendations for between Board Meeting decision	LP	Discharged
11	Mar 2024	Eelco De Jong to complete Safeguarding Officer registration.	EDJ	Jun 2024 – carry forward
12	Mar 2024	Circulate insurance premium quotes, with cover level options for Trustees review and approval between Board Meetings	LP	Discharged
13	June 2024	Circulate a between Board decision to establish Puja Vashisht as Company Secretary	DB/PV	July 2024
14	June 2024	Schedule an investment manager review to include Brown Shipley's relationship with Black Rock and derivatives	PV	Discharged to Finance Committee, early 2025

N°	From	Action Point	Owner	Status
15	June 2024	Review the Reserves figure of £1.5m and bring recommendation to the August Finance Committee	PV	August 2024
16	June 2024	Circulate the updated Staff Handbook, including the Safeguarding Policy, for a between Board decision.	DB	July 2024
17	June 2024	Special resolution to the AGM on increase in Membership rates.	AP	AGM Sept 2024
18	June 2024	LT to consider how Trustee expertise could be best utilised following change in the Committee structure.	DB	Sep 2024
19	June 2024	Send comments on the draft Union agreement to the CEO	ALL	18 July 2024
20	June 2024	The Board delegated the recognition negotiation with Prospect to the Executive with the aim of the CEO bringing a final draft agreement to the Board at the September Board Meeting	CEO	Sep 2024
21	June 2024	Top three risks to be highlighted in the risk register narrative for Board	LT	Sep 2024 Board Meeting
22	June 2024	Make amendments to risk register and provide clarification on the inclusion of standing orders under reputational risk	LT	Sep 2024 Board Meeting
23	June 2024	Accounts to be filed with Companies House in September prior to the AGM	PV	By 14 Sep 2024

1.3 BETWEEN-BOARD DECISIONS TAKEN SINCE THE 14 DECEMBER BOARD MEETING

Insurance renewal – 15 May 2024

The Trustees approved the insurance renewal for 2024-2025. It was agreed that a separate quote would be sought to increase the Directors and Officers insurance from £1m to £5m at a later date.

Update to Investment Manager Mandates – 16 May 2024

The Trustees approved that Lesley Caron, in capacity of Interim Financial Controller of the Trust, be granted read access to the Trust's Investment portfolio managed by Brown Shipley with immediate effect. The Trustees further approved that as Louise Page would no longer be with the Trust after 14 June 2024, that Louise would be removed as the primary contact role from that date and that David Balharry would take over the primary contact role with Brown Shipley from 14 June 2024. For

completeness, individuals that may pass instructions to Brown Shipley from 14 June 2024 are David Balharry, Jane Smallman and Jim Gibson.

Date for Trustee Elections – 27 May 2024

The Trustees agreed that the Trustee election process should begin in mid-June. This would allow the election to be concluded in mid-July, allowing more time to conduct skills analysis prior to advertising and then co-opting Trustees to fill any skills gap. The aim would be to have co-opted Trustees in place by the AGM so that they could participate in the planned induction day on 26 September 2024.

Approval of new Objectives – 27 May 2024

The Trustees approved the new Objectives and Strategy Refocus at the May Topical Forum and agreed that they should be socialised with staff and uploaded to the website. The CEO asked for a minor change to Objective 1 from 'Produce a definition to allow **Wild Place Qualities** to be recognised' to 'Promote a UK wide conversation on **Wild Place Qualities**'. Trustees approved the change noting that the earlier wording would be retained as a sub-objective.

The new Objectives as follows:

1. Promote a national conversation on Wild Place Quality
2. Create a register of Wild Places to help protect and conserve them
3. Promote best practice aimed at preserving natural processes in Wild Places and their landscapes
4. Use existing and future statutory processes to conserve and protect Wild Places
5. Encourage local communities to live in harmony with Wild Places
6. Promote an awareness of Wild Place qualities and benefit to humanity
7. Stimulate public support to help protect Wild Places
8. Encourage voluntary participation in the conservation and renewal of Wild Places
9. Ensure financial sustainability and grow income to balance costs
10. Invest in and engage with our people
11. Ensure accountability, integrity, best use of charitable funds and transparency in all aspects of Trust activities

The Board **approved** the between Board decisions.

The CEO and CFO agreed to circulate a between Board decision email to establish Puja Vashisht as Company Secretary as well adding her to the Banking and Investment Manager Mandates. **[ACTION 13]**.

1.4 Committee Convenor reports

Finance Committee

The DIG advised the Board that the revised 'go live' date for CRM implementation was the 23 July (previously mid-June).

The CEO highlighted that the Committee had discussed a potential reputational risk in terms of public perception due to Brown Shipley's recently announced partnership with Black Rock.

Following discussion it was **agreed** that an investment manager review would be appropriate and that this is good practice every five years or so. The Board delegated this review to the Finance Committee for early 2025. **[ACTION 14]**

2. ITEMS FOR DECISION/APPROVAL

2.1 Consolidated Financial Statement for the year to 31 December 2023

The Board **approved** the Financial Statements as recommended by the Finance Committee, subject to minor amendments.

2.2 Auditor's completion report

The Board **approved** the Auditor's completion report as recommended by the Finance Committee, subject to minor amendments.

2.3 Letter of Representation from Trustees (see above)

The Board **approved** the Letter of Representation as recommended by the Finance Committee, subject to minor amendments.

2.4 Annual report

The Board **approved** the Annual report as recommended by the Finance Committee, subject to minor amendments.

2.5 Reserves policy

The Board reviewed the minimum reserve figure of £1.5m as recommended by the Finance Committee, sufficient to cover expected needs for four months. It was **agreed** that the £1.5m would stand and that this would be reviewed by the CFO, with a recommendation to be brought to the August Finance Committee **[ACTION 15]**.

2.6 Investment policy

The Board **approved** the Investment policy as recommended by the Finance Committee and **approved** the disinvestment of £150k if needed to assist with cashflow in August 2024.

2.7 GDPR policy

Trustees noted the importance the GDPR iHASCO training for staff and Trustees, particularly as the Trust did not have a specific staff role dedicated to GDPR.

The Board **approved** the GDPR policy as recommended by the Governance Committee, subject to minor amendments.

2.8 Safeguarding policy – verbal update

The CEO advised the Board that the Staff Handbook had been updated to include the Trust's policies and the Safeguarding policy would be circulated along with the Staff Handbook for a between Board Meeting decision [**ACTION 16**].

2.9 Scheme of Delegation update

The Board was invited to approve the updates regarding the annual cumulative limit on divestment of investments.

The Board **approved** the update to the Scheme of Delegation.

The CEO highlighted that the Scheme of Delegation Section Two: Schedule of matters delegated by the CEO to Officers, had not yet been formally rolled out to staff this year and that this would be put in place by the HR Team as part of the objective setting process.

2.10 Membership rates

The Board discussed the proposed Membership price increases, noting that these would need to be voted on as a special resolution at the AGM. A 10% increase was proposed in all Individual, Joint and Group Membership rates, to apply from 1 January and a 33% increase was proposed in Corporate Membership rates, to apply from 1 October 2024. The DIG highlighted that it was not the intention to raise prices year on year due to the extra work involved in taking the resolution to the AGM and updating direct debits. He added that the ordinary Membership price increase (10%) was lower than inflation (20%), due to the cost-of-living crisis potentially making a 20% increase prohibitive.

The Board **approved** taking a special resolution to the September 2024 AGM proposing an increase to Membership rates. [**ACTION 17**]

2.11 New Committee structure

The Trustees were invited to review and comment on the suggested new Committee structure as recommended by the Governance Committee:

- **Trading Company Board** to remain as is with option to meet less frequently

- **Finance Committee** to remain as is, but to take on Financial Risk and general Governance issues not related to the upcoming mini-review of the Articles and Standing Orders
- **Risk and Reputation Committee** and the **HSW & HR Committee** to be absorbed by the Board as standing agenda items
- **Fundraising Committee** to become a Working Group (new Terms of Reference will be required)
- **Governance Committee** to remain but with the reduced scope of reviewing the Articles in 2025 and with option to meet less frequently. Terms of Reference to be adjusted accordingly

The Board acknowledged that the reduction in staff-Trustee interaction could potentially reduce the effective feed-in of Trustee skills. Working Groups were discussed as an option for making use of Trustee expertise with Terms of Reference to be agreed by the Board. The CEO agreed that Trustee feed-in would be further considered by the Executive [**ACTION 18**].

The Board **approved** the new Committee structure, to commence at the August/September 2024 Committee round. The new structure would be reviewed after nine months.

3 ITEMS FOR INFORMATION/DISCUSSION

3.1 CEO Report

The CEO invited the Board to note the information contained within the report and spoke to the following key areas:

Corporate Fundraising

The CEO noted that the appointment of David Farquhar as an advisor to the Trust is having a significant impact and benefit in opening doors.

Community interest in land

The CEO reported that community activism on Skye and Sandwood was attempting to test the Trust's ownership rights due to a belief that the land is worth millions of pounds in terms of natural capital. The Trust had advised that its engagement with this type of project was dependent on two requirements, the first that the governance arrangements that might be associated with transfer of carbon finance on Trust land to community benefit were secured with the Trust and the crofters, and secondly, the Trust would need to have key staff in place (presently being recruited) in this area before it engaged further.

The CEO noted that the Trust had been receiving a small sum of money to pass on sporting rights for salmon fishing to local groups who have then marketed

these rights for a greater sum of money. He confirmed that this would be brought to the Board for review once the new Director of Operations was in post.

Schiehallion fence

The CEO advised the Board that the fence had been at planning stage with Scottish Forestry for two or three years due to the lengthy screening process. The CEO had recently held a meeting with SF. Consent should be possible for what is essentially a stock fence within 3 to 4 weeks but there was some uncertainty on the timescale. The Trust had requested clarification from SF on the timescale.

Reece foundation

The CEO reminded the Board that the Reece Foundation had historically given a total of £1.5m to the Trust. £1m went towards the purchase of Tower House and £500k went towards Tower House renovations. The Foundation had contacted the Trust as a result of receiving the Chair's letter and had asked whether they could help. The Executive met with the Foundation's Trustees at Tower House on the 19 June. This was a constructive meeting which will be followed up with the Reece Foundation by the CEO and DIG.

Strategy development and implementation

The CEO reported that four strategy refocus sessions had been held at the end of June to socialise the eleven objectives with staff and to engage with staff on wild place attributes.

A three-year costed plan would be ready by the September Board meeting based on understanding historical trends, income growth drivers, and related costs along with an understanding of the longer-term fund and reserves position. The plan would include a review of aspirational projects and the predicted income budget required to achieve key milestones.

The Board **noted** the CEO Report.

3.2 HSW & HR verbal update

In the Confidential Board minutes.

3.3 Financial update

The IFC advised the Board that the deficit in Q1 before investment gains and losses was £379k, which is better than the budgeted deficit for Q1 of £893k. Income in Q1 was £264k better than budget, and expenditure was £250k less than budget. The Year End forecast is a deficit of £187k, which is approximately on budget. It was noted that an additional £550k legacy had been received in Q1, of which £400k had been accrued in 2022, leaving £150k to be accounted for in 2024. Receipt of these funds was obviously helpful to cash flow.

The Board **noted** the latest financial position.

3.4 Funds review

The IFC reminded the Board that the Finance Committee and Board had requested the Trust's Funds be reviewed to ensure the purpose of each fund was understood. An initial review of documentation had been carried out, however further work was required as there were five funds with limited or no documentation setting out the restrictions. She advised that the Finance Team would work with the Income Generation Team to gather as much information as possible on these funds. If no information was found then the funder would need to be contacted where possible. Failing that, OSCR would need to be contacted to request that the funds be unrestricted.

Fund 100 (D-2012-2016 Corp Strat HLF matched Funding) had previously been designated to the John Muir Award England by Board from free reserves and the Board was asked to de-designate the remaining £12k allocated to that fund.

The Board **noted** the update and **approved** the removal of the Fund 100 designation.

3.5 Income Generation update

The DIG shared a presentation on income for Q1 2024 which was ahead of budget, mainly due to receipt of legacies. He added that the budget had been deliberately conservative and that income targets would increase later in the year.

Income: Budget: £326,906, income: £591,042, variance: £264,136

Legacies: Jan-Mar income: £247,913, received/accrued since March: £289,626, remainder to raise: £1,027,461, pipeline: £1.575m

Trusts & Grants: Jan-Mar income: £64,755, received since March/expected: £182,953, Lucy Allsopp fund: £300,000, remainder to raise: £452,513

Corporates: Jan-Mar income: £4,500, received since March/expected: £65,880, remainder to raise: £102,120

Individual Giving: Jan-Mar income: £158,279, received since March/expected: £247,707, remainder to raise: £506,414

The Board **noted** the update on Income Generation.

3.6 Trustee vacancies for AGM

The Chair advised that the Returning Officer (CEO), following discussions with the Chair and the Convenor of the Governance Committee had agreed to advertise

five vacancies for Trustees for AGM 2024, four vacancies of 3 years, and one vacancy of 1 year. Following discussions at the March 2024 Board Meeting, it was further agreed that the four casual vacancies arising as a consequence of Trustee resignations in late March 2024 would not be filled at the 2024 AGM, there being insufficient time to meet the deadline for the election call going out in the Spring 2024 Journal. These actions would give a total of eight elected Trustees from AGM 2024 with the possibility of co-opting up to a further three Trustees to fill skills gaps.

The Board **noted and approved** the process by which Trustee Vacancies for AGM 2024 were decided and notified.

3.7 Union membership

The CEO advised the Board that Prospect Union had written to the Trust formally on the 1 May 2024 requesting voluntary recognition. Staff were then invited to complete a poll which showed that the majority of staff were in favour of Union recognition.

The Board **approved** the voluntary recognition of Prospect Union subject to formal agreement of a Recognition Agreement and understanding of any additional cost implications. The Board also **agreed** that the Executive should establish a staff forum to ensure that staff outwith the Union would have equal voice.

Trustees agreed to pass on any comments on the draft agreement to the CEO by 18 July [**ACTION 19**].

The Board delegated the recognition negotiation with Prospect to the Executive with the aim of the CEO bringing a final draft agreement to the September Board Meeting [**ACTION 20**].

3.8 Risk Register review

Trustees were invited to note the key changes to risks since the previous update in March 2024.

Key changes:

- Economic – reduced; UK economy reported as no longer in recession, approved Trust budget now in place
- Political – increased; increased probability due to additional climate change facts, increased residual risk as currently no controls, upcoming UK General Election and recent changes in Scottish Govt.
- Reputational – increased; member activism
- Operational – increased; loss of key personnel
- Governance – reduced; Strategic Objectives reviewed and agreed

One Trustee felt the register format was potentially too long and complicated and requested clarification on the top three risks. The CEO responded that these were people, financial and reputational. The Chair requested that the top three risks be highlighted in the narrative for each Board in order to aid focus. **[ACTION 21]**.

Another Trustee noted that the 'Yes 'in the final column of POL01 - Political risk, should be 'No 'and queried why the standing orders were listed as needing review under reputational risk. The DIG agreed to make the amendment and provide clarification **[ACTION 22]**.

3.9 Patron update

The Trust had been notified that, following a review of Royal Patronages following the death of the late Queen, King Charles was no longer able to offer patronage to the Trust. His Majesty had been the Trust's Patron when he was Prince of Wales. The Board **noted** and agreed to discuss potential options for a new Patron.

4 AOB

4.1 Topical Forum – 18 July 2024

The CEO advised that the Topical Forum would focus on the engagement strategy and wild place attributes. Further details to be confirmed.

4.2 Filing of accounts

The Chair noted that the filing of Accounts on Companies House had previously happened in September and must be complete by 30 September. The Board agreed that the Accounts should be filed prior to the AGM. **[ACTION 23]**.