

**Minutes of the Board of Trustees meeting held as a conference call on
Wednesday 13 May at 10.00hrs**

PRESENT

Margaret Moffat, Chairman

George Kempton, Vice Chairman

Audrey Harris

Chris Kitchin

Cynthia Matthews

David Paterson

Paul Farenden, Honorary Treasurer

Wendy Lindley

Clare Panniker

IN ATTENDANCE

John Rostill OBE, Chief Executive

Debbie Arnold, Fellowship Administrator

Action

0171 1. APOLOGIES FOR ABSENCE

Danny Mortimer

0172 2. DECLARATION OF CONFLICTS OF INTEREST

There were no declared conflicts of interest

0173 3. MINUTES OF THE MEETING HELD ON WEDNESDAY 22nd JANUARY 2020

David Paterson requested an amendment to 11.1 Report from Hon. Treasurer point 3. '...the £5000 budget will not be required' will be amended to read 'the £5000 budget will not immediately be required until arrangements are made with the Scottish Pensions Authority'.

DA

The Vice Chairman proposed that the minutes of the meeting held on Wednesday 22nd January be adopted, agreed and signed by the Chairman. This was seconded by David Paterson

A hard copy of the Minutes will be provided for signature by the Chairman at a later date.

DA

0174 4. MATTERS ARISING

David Paterson enquired about progress of the film clips which were mentioned in the Chief Executive's Report. The Chief Executive replied that these are now complete and some were shown at a special meeting of the National Council on 19th February 2020. One of the film clips is now available to view on the Website under the About Us section.

The Vice Chairman drew attention to the Action Point in Section 9.1 Audit Risk

and Investment Committee, relating to the development of a policy for Retention and Destruction of Information. The Chief Executive replied that his will be progressed in due course

CK

0175 5. PROPOSED BUDGET

The Chief Executive highlighted the following:

- The Budget balance is currently £306,500
- The top line in the Income section relates to the £50,000 NHS England grant and £32,050 from reserves.
- Travel and Meetings expenses - a nominal amount of £5,000 on each has been allocated on the basis that it is unlikely that we will be having any large gatherings or travel before the beginning of the next calendar year
- Newsletter – this figure is higher than normal because it includes expenditure on up to 5 letters from the Chief Executive: June, July, September, October and December. This has been introduced to enhance communications with *all* members as approximately 50% of members do not use emails, and therefore do not receive the regional newsletters which Development Officers are emailing to members.

The Honorary Treasurer informed the meeting that he and the Chief Executive had discussed the budget extensively prior to its completion and they were happy that it was realistic and comprehensive.

The Vice Chairman queried the lack of any expenditure on New Branch Set up.. The Chief Executive replied that it was unlikely that any new branches would now be opened as a result of the current situation. If any were to open, however, they would receive the standard £250 set up contribution.

David Paterson queried the National Subscriptions of £12,000. The Chief Executive informed him that this income was the amount from subscriptions of 'postal' members.

Audrey Harris asked if the NHS England grant had been received. The Chief executive replied that it had not but that he was confident it would be received in this financial year.

Wendy Lindley asked about the Fred Olsen grant of £3,000. The Chief Executive explained that £500 was allocated to each of the Golf tournament, Scotland and Wales, and the remaining £1,500 was allocated to general funding.

Cynthia Matthews highlighted the £5,000 for P60 campaign paper storage. The Chief Executive replied that although the P60 campaign had been postponed until April / May 2021, the paper for printing the leaflets had already been purchased by the NHS BSA, and this was their estimate for storing it until next year.

0176 6. CONFERENCE 2020 (and AGM)

The Chief Executive has spoken to the majority of Trustees and the general view is that it is most unlikely that the Conference will go ahead in October 2020. This is based on a number of considerations:

- assumes social distancing is still in place and gatherings such as conferences will not be permissible
- there would be a reluctance to travel by public transport and some would find the distance to drive to Manchester unacceptable

The Chief Executive reminded the meeting that an AGM must be held during the financial year. He proposed that this should be held in March 2021.

The Constitution states that a quorum is 15 members.

The Honorary Treasurer reminded the meeting that despite the circumstances the production of the final accounts for the Charity Commission is mandatory. There is some flexibility regarding dates, but an AGM must be held to approve them before they are submitted. He agreed to clarify timescales with the Charity Commission.

Clare Panninker suggested that the next AGM is unlikely to be a 'normal' AGM meeting and the Honorary Treasurer suggested that it might be held virtually.

The Vice Chairman asked if the Trustees would approve the cancellation of the 2020 Conference - all agreed.

After some discussion, it was agreed that arrangements to defer the AGM, possibly until March 2021, would be considered at the September Board meeting, when more information should be available.

The Chairman confirmed that the election of the Chairman and the Vice Chairman would take place at the AGM and that she and the Vice Chairman were prepared to continue in their current roles until that time.

0177 7. CAPITATION FEE

2019/20 Capitation fees

The Chief Executive reported that some of the 2019/20 Capitation fees have been collected and the remainder will be received once Central Office reopens. The Budget was prepared on the basis that all Capitation fees for 2019/20 are received.

2020/21 Capitation fees.

The following points were made:

- It has previously been agreed that rather than collecting Capitation fees retrospectively, from April 2020 the fees would be collected 'in-year' by an agreed date of 23rd January 2021.
- It is unlikely that any branches will meet for the remainder of 2020 and some may not meet before the end of March 2021.
- The Capitation fee of £20 has not been changed for a number of years.

Information from some branches indicates that there is a feeling that it is inappropriate to pay the full Capitation fee for this year when there have been no (or very few) branch meetings.

The Chief Executive has spoken to most Trustees and there is a consensus that there should be a reduction in the 2020/21 Capitation fee, but that it was not

appropriate to waive the fee altogether. Once a decision is made, branches will be informed very quickly.

The Board was therefore formally asked whether there should be a reduction in the Capitation fee for this year and if so, for suggestions as to what this reduction should be.

The Vice Chairman confirmed he was in favour of a reduction of the fee and also that waiving the fee was not practical as the Fellowship has fixed costs to meet. His proposal was to reduce the fee by 50% to £10. He continued that some Regional Representatives (RR's) had been approached by branches asking for information of the level of fees for 2020/21. RR's should be made aware of any decisions regarding the level of fees prior to branches being informed.

The Chief Executive stated that his intention was to write to RR's and Development Officers (DO's) before the details were sent to branches.

The Hon. Treasurer indicated that as fixed costs have to be met then the scope for reduction of Capitation fees is limited. He cautioned that a significant reduction would present the Fellowship with a major risk in terms of the vulnerability of membership numbers and he therefore suggested a modest reduction was appropriate.

Chris Kitchin reported that during the E Herts virtual AGM, there was no dissent to membership fees remaining at current levels i.e. a Capitation fee of £20 and an additional membership fee of £10. He agreed that for the Fellowship as a whole however, a reduction of 50% was reasonable and demonstrated that the Board were taking the current situation into account.

David Paterson agreed that an element of the Capitation fee should be paid but that it was also important that there should be equity in the approach. He was concerned that a loss of members / branches could result if fees were considered too high or that branches were not treated equally. He suggested a Capitation fee of £5.

Clare Panniker emphasised that transparency was a key element in the communication of any decision regarding the fees. The Fellowship needed to be clear about any cost savings it could make and the fixed costs identified. The rationale behind any fee modification should be made clear to show that the decision was made with a calculated approach. She also suggested that the charitable status of the organisation should be emphasised as the income from its members in the form of these fees represents a major proportion of its income.

Chris Kitchin asked whether the Conference made a profit for the Fellowship. The Chief Executive answered that the Conference is now organised by IOW Tours and the only cost to the Fellowship is Staff accommodation. This compares with Conferences in past years where there was a significant cost to the Fellowship.

He added that staffing represents a significant proportion of expenditure and that if there was a major reduction in income, the staffing structure would need to be examined.

The Hon. Treasurer added that there is very little scope for further reduction in

expenditure without affecting the basic running of Central Office.

Audrey Harris thought a reduction of 50% was appropriate. She also suggested that consideration of the level of fees in future years may also be needed if future behaviour changes with regard to social distancing, and this then has an impact on reducing membership numbers and branches. Audrey suggested that this could, if necessary, be considered at the September Board meeting.

Wendy Linley agreed with the suggestion of a 50% reduction and also agreed with Clare Panniker's recommendation relating to the emphasis on the charitable status of the Fellowship, and considered whether some branches might voluntarily pay more than the suggested fees.

Cynthia Matthews agreed with the 50% reduction. She also concurred with Clare Panniker's advice that any statement should show transparency in terms of Fellowship income and expenditure particularly as running costs can be a sensitive issue for any charity.

The Chairman agreed that a 50% reduction was a reasonable reduction in the current situation. In the light of proposals to run the P60 recruitment campaign from April 2021 she recommended that all were made aware that any reduction would be for the 2020/21 financial year only. This would be particularly important for those joining during that year.

The Chief Executive agreed that he would include this information in a letter to members and indicated that the P60 campaign will potentially have benefitted the Fellowship in terms of membership and therefore income growth by the next financial year.

He added that we are in a position of complete uncertainty and unable to predict behavioural changes with regard to socialising, especially in relation to the frailty of some of the Fellowship members, presented major challenges. Irrespective of changes to the Capitation fee, members are likely to be lost and some branches may not meet again because of this. It was impossible to predict such losses at this stage.

Branch balances at the end of March 2019 indicated that around £500,000 was held in accounts (no March 2020 data is currently available). It may therefore be considered appropriate to suggest that those branches with healthy balances could help with paying the Capitation fee for their members.

The Chairman advised that perhaps such a decision should be made at branch level.

The Vice Chairman suggested that as branches are currently incurring little in the way of expenditure, then the element of the membership fee which covers the branch costs could be waived by the branches. This would result in a reduction in the fees charged to members. He also pointed out that there was some disparity in amounts held by branches in their accounts and that those with low fund levels may feel they are being treated unfairly.

David Paterson commented that as the P60 campaign will not result in any membership increases until the next financial year, then branches may not have the ability or willingness to pay Capitation fees from reserves. This may result in branch closures. Some branches may not be willing to pay a Capitation fee of £10 and in addition the impact on Fellowship income could necessitate an increase in fees in future.

He suggested a more strategic approach looking at the longer term and an analysis to consider the implications of both a £10 and no Capitation fee. The Chief Executive reminded the meeting that the only way significant reductions in expenditure could be achieved, would be by reducing staff numbers. If the P60 campaign is successful then the Fellowship could be in a healthy financial position by mid-2021. The survival and the sustainability of the organisation need to be emphasised in any communication relating to fees and the sensitivity of the issue recognised.

The Chairman added that many branches have limited awareness and understanding of the roles played by the staff in the Fellowship.

The Vice Chairman proposed the following motion:

For the financial year 2020/21 a 50% reduction in the Capitation fee (resulting in a fee of £10) should be agreed by the Trustees and this will be reviewed subsequently as the pandemic evolves.

The Chairman asked if there was any disagreement. David Paterson suggested an amendment whereby the word 'recommended' should replace 'agreed'.

Audrey Harris asked if the Trustees would see the letter before it was sent to branches. The Chief Executive confirmed that it would be inappropriate for the letter to be sent before it was signed off by the Trustees. Such a change can only be made by the Trustees and this process should be understood by the members.

The Vice Chairman stated that as David Paterson's suggestion was an amendment to the original proposal, if it was seconded, then this should be the subject of a vote.

Audrey Harris seconded David Paterson's amendment. A vote was held to accept the amendment and the amendment was rejected 2:7

A vote was then held to accept the original proposal which had been seconded by Cynthia Matthews:

For the financial year 2020/21 a 50% reduction in the Capitation fee (resulting in a fee of £10) should be agreed by the Trustees and this will be reviewed subsequently as the pandemic evolves.

This was carried 7:2

The Chief Executive will draft a letter to branches which will be sent to Trustees by Monday 18th May. Comments should be received by Wednesday 20th May.

0178 8. TO CONSIDER USING ZOOM FOR TRUSTEES MEETINGS DURING LOCKDOWN PERIOD

The Chief Executive reported that the Future Group held a successful meeting using Zoom on 7th May, and suggested that the next Board meeting should also be conducted using this facility. Currently only two Trustees do not already

have experience of using Zoom – they will both have access by the next meeting and the Chief Executive suggested that a couple of short practice meetings will be held prior to September, to enable the Trustees to become more familiar with it. There is a cost of around £15 per month for the Zoom version which allows meetings with no time limit – the free version only permits meetings of 40 minutes duration. It was therefore agreed that the next meeting would be on:

Wednesday 23rd September 2020 at 10.00am

and would be held via Zoom

Debbie Arnold will circulate details nearer the time

DA

Debbie Arnold will cancel the room booking made with the Civil Service Club for this meeting

DA

The Chairman asked that a report from the Future Group should be provided prior to the September meeting, and the Chief Executive agreed that it would along with papers from the Audit and Remuneration sub-committees

0179 ANY OTHER BUSINESS

There was no other business

The Chairman thanked the Trustees for their contributions and made special mention of Clare Panniker who had taken time out from her busy schedule. The meeting closed at 11.30

Debbie Arnold
15th May 2020

Chairman Date.....