

BOARD OF TRUSTEES**Minutes of a business meeting held on Wednesday 12 June at Airth Castle Hotel**

Present Andrew Burns (Convener), Michelle Carruthers, Becky Duff, Sean Duffy, Fiona Gillespie, Brook Marshall, Kenneth Pinkerton, Adam Lang, Theresa Shearer, Eliot Stark

In Attendance Anna Fowlie, Tim Hencher, David McNeill

With Steven Morton (Secretary)

1 Welcome and apologies

Andrew Burns welcomed everyone to the meeting, noting that Tim Hencher [Director of Delivery] and David McNeill [Director of Development] were attending for the first time in their new roles.

2 Minutes of previous meeting

Paper 2.2

The minutes of the meeting held on Wednesday 28 March 2019 were approved.

SM

Paper 2.2

The public minutes of the previous meeting were approved, and would be published on the web site.

SM

Action Log

Paper 2a

The log was **noted**.

3 Report from FARC**3.1 Meeting of FARC held on 6 June 2019**

Papers for this meeting had been posted to sharepoint

Eliot Stark reported on discussions, noting the improved reporting methodology that had been adopted.

3.2 Key Risks – *standing item*

Trustees **noted** that these had been discussed in detail by FARC, and remained pensions, diversity of income, Brexit, and Community Jobs Scotland [CJS]. Cyber security had also been recognised as a key risk,

despite significant internal mitigating action, due to SCVO's exposure to external failure outside its control, eg third party service providers.

4 Finance

4.1 Indicative budget 2020/2022

Paper 4.1

Tim Hencher introduced the report, noting that :

- the focus was more on methodology than figures;
- a Finance Strategy was being developed that aligned with the strategic plan, and would be presented to the Board in October;
- forecasts were conservative/worst case, but staff were confident that new sources of funding would be forthcoming;
- earned income, which was unrestricted, was a positive element and could be grown further;
- the organisation continued to be overly reliant on a small number of income streams, one of which was not considered to be stable in the long term, and further work to diversify these was required.

In discussion the following points were **noted** :

- it was important to ensure that funded programmes were relevant to SCVO's mission and strategic objectives;
- the recruitment of the new Business Development Manager would assist the senior team in making decisions regarding new programmes;
- the Community Jobs Scotland funding stream remained vulnerable as the Scottish Government were currently conducting a review of all employability programmes and funding;
- it was hoped that the SG Core Grant would shortly be placed on a three-year footing, which would make it easier to align with SCVO's strategic objectives;

It was also **noted** that the budget for 2019/20 had been agreed as a deficit budget, with the expectation that the gap should be closed during the year. Staff remain confident that this is the case, and that the necessary action to manage the deficit is ongoing.

4.2 Q4 update report

Paper 4.2

Tim Hencher introduced the report, noting that no material changes were expected at this stage, and that an operating surplus, after adjustments, of £36k was predicted

Overall, trustees were satisfied that SCVO was in a strong financial position, and continued to be able to meet its liabilities in terms of the pension deficit and depreciation. The operating surplus was a positive outcome for the year, and reserves remained healthy. However, it was **noted** that no significant new sources of income had been identified at this stage.

4.3 Pensions [SVSPS] – *standing item* *Paper 4.3*

It was **noted** that the recovery programme was slightly behind schedule but that, overall, the direction of travel was positive. However, the scheme was experiencing similar problems to other pension schemes and SCVO's risk remained unpredictable due to external influences.

5 **Directors' Report**

Paper 5

Anna Fowlie introduced the report, and noted that the format was likely to change to reflect changes in the structure and the new Strategic Plan.

Structure

It was **noted** that the new senior leadership team had been established and that matching for heads of department was underway. Two new posts, the Business Development Manager and the interim Head of Membership Support, would be advertised externally shortly, and the intention was to complete the process by the end of September.

European Structural Funds

Anna Fowlie reported to trustees on the current position regarding these funds and the issues arising for the voluntary sector given the delay in payments, including the risk of redundancies in some organisations.

This reflected long-term issues with the SG Managing Authority, and SCVO had been actively lobbying for improvements directly with officials and ministers. This approach had been fully supported by the sector, and it was hoped that the situation would be satisfactorily resolved by the end of June.

Given the seriousness of the situation, trustees would be briefed by email on any significant progress.

AF

6 **Governance**

6.1 Constitution *Paper 6.1*

Kenneth Pinkerton introduced the report on behalf of the short-life working group.

It was **noted** that :

- the changes would remove the requirement for a third of elected trustees to stand for election each year, instead establishing fixed three year terms;

- membership would be recast as members, with full voting rights, and supporters;
- the honorary president would be appointed by trustees on the expectation of a three-year term renewable once, although this could be extended in exceptional circumstances.

David McNeill advised trustees that work would be undertaken to change the existing categories of Associate Members to one category of Supporters by the end of the year.

DM

It was agreed to recommend the proposed changes to the membership at the forthcoming AGM.

TH

It was agreed that the short-life working group should consider further changes to the constitution regarding :

- **the inclusion of a definition of supporters [Article 11];**
- **the removal of the power to set membership subscriptions from an AGM, and instead vesting it in the Board [Article 29].**

KP

6.2 Trustee elections and AGM / EGM

Paper 6.2

It was **noted** that the proposed changes to the constitution would not affect the election of trustees on this occasion and that, therefore, they would be put to members at the AGM rather than an EGM.

It was recognised that the effectiveness of SCVO as a national, representative body would be enhanced by greater diversity amongst trustees, both as individuals and to reflect the breath of the sector. Trustees were encouraged to identify possible candidates and suggest that they consider standing for election.

All

The timetable for the elections was agreed.

TH

6.3 Committee structure

It was agreed to establish a new sub-committee, the Strategic Development Committee (SDC), and that the Convener would draft terms of reference for approval by circulation.

AB

It was agreed that membership of FARC and SDC would be reviewed to ensure the best use of trustee skills sets.

AB

7 New members and resignations

7.1 Applications for membership

Papers 7.1 and 7.1 a

It was agreed that an applicant should not be admitted to membership as it did not offer sufficient activities beyond promoting religion.

DM

Subject to the above, the applications were approved.

DM

It was requested that in future where an applicant is not a registered charity the report identifies whether or not there is an asset lock.

DM

7.2 Report of resignations

Paper 7.2

The Board **noted** the organisations that had resigned from membership of SCVO, and recommended that staff should approach some to explore the possibility of them remaining in membership.

DM

8 AOCB

8.1 It was **noted** that the Scottish Government was consulting on establishing a citizens' assembly to consider what Scotland should look like post-Brexit, but that there were significant concerns regarding the proposed model. SCVO would monitor the situation and continue to engage to seek a positive outcome reflecting the views of the sector.

8.2 It was **noted** that ACOSVO had launched a recruitment service that could compete with Goodmoves.

AF

9 Next meetings

Papers 9.1 and 9.2

The next meeting on Trustees would be on **Wednesday 9 October**, at the Mansfield Traquair Centre, Edinburgh.

All

The calendars of meetings for 2019 and 2020 would be posted to sharepoint for information.

SM

Dates for the new committee would be circulated.

SM