

DRAFT MINUTES OF BOARD MEETING HELD 15 AUGUST 2013 AT LINK IN PERTH

PRESENT

Trustees Deborah Long (Chair), Helen Todd (Vice Chair), Paul Ritchie (Treasurer), Lloyd Austin, Ian Findlay, Beryl Leatherland, Mike Robinson, Simon Jones

In attendance Jen Anderson, Alice Walsh, Andy Myles, Hugh Green – LINK Staff

1. APOLOGIES FOR ABSENCE

Received from Trustees Angus Yarwood and Mandy Orr, and from Ross Finnie (President).

2. MINUTES OF APRIL MEETING

The draft minutes as circulated were proposed as an accurate record of the meeting by Helen Todd, seconded by Beryl Leatherland and approved by the meeting.

3. MATTERS ARISING & REPORTS BACK

There were no questions on points 3.1 or 3.2 in the paper circulated.

3.3 reported on LINK's dialogue with business since 2012's Congress had agreed to open this up. The meeting decided that the Economics Forum together with Board and staff should maintain an overview of how dialogue is going (rather than any other grouping), and that other TFs' liaisons with their part of the business sector should be encouraged. Responses from Chambers of Commerce and SCDI (to our January overture suggesting meetings) would be chased up and the relevance of business forums run by HIE and SE explored. All networks, SE and HIE to be involved in LINK's forums with business; once the first of these has happened some review of mechanics will be useful. **Action: Staff; EcsForum**

JA reported latest thinking on possible target audiences, format, scope and costs of the forums with business which the Board had endorsed, asking for a steer on theme for the first. Numbers would be around 30 and costs between £400 and £1000 per forum, though in some cases business players might provide venue, etc. The Board emphasised that theming is vital to target and attract key audiences. It was agreed that a good first theme touching on many LINK concerns is investment in relation to climate challenge - under the heading 'Risk' – targeting the pensions and insurance sector. Mike Robinson advised that LINK look to co-host this with Susan Rice, perhaps talking the ideas over with FSB first.

Actions - Staff to plan first forum

3.4 Membership and affiliations Congratulations were recorded to Alice and Deborah for a positive meeting with RZSS resulting in the CEO's request for LINK to invoice for a renewed subscription.

3.5 Commissioned work around need and provision of a hub for local and community groups This was moving more slowly than had been reported though working to LINK's receiving a report in early 2014.

Action: JA and ABM

3.6 Friends of the Scotsman Deborah asked the Board to determine whether LINK should (a) wait and see how members' experience delivers for the network, or (b) trial a friendship and use to field opportunities to task forces and members. The Board approved a two year trial, on the basis that the opportunities were fielded on a two thirds/ one third ratio (TFs/small members). Andy was asked to chart and coordinate this to ensure representation of the diversity of our agenda, non-duplication, etc. Twitter might be usefully used in support. **Action: Andy to take forward and coordinate**

4. STRATEGIC PRIORITIES

4.1A Update on strategic objectives

The circulated paper reported progress against the strategic plan and the meeting discussed the following:

Environmental narrative – The need for a strong 'narrative' was a view emerging from a summit with agencies in early 2012 arranged at their behest. Having subsequently considered this several times the Board concluded that LINK has a strong narrative comprising its strategic objectives, advocacy by TFs on specific issues, and initiatives such as LINK's referendum challenge; the Agencies by contrast find they lack the freedom to develop and promote a robust narrative about environmental imperatives. The meeting agreed to continue to promote and remind members about key content of LINK's narrative.

Negotiations training – The Board would reconsider need in wake of the autumn evaluation of the impact of LINK's work in late November. **Action: review at and post strategic planning**

Energy and landscape position – This had yet to emerge from LTF in the wake of the workshop LINK had organised for members in autumn 2012. The Board agreed the process had helped members to take a dispassionate view of the issues and the reasons, including tactical, for diversity of positions across LINK.

Member access to trustees – An invitation would be circulated in Deborah's name in the autumn. **Action: JA/DL**

Media capacity and training – Jen reported that suggestions for media training were coming forward, along lines of that LINK had arranged in 2005/6. Staff would discuss further and develop a plan. The meeting noted that LINK had tried to encourage media expertise in the past via a media forum in the days of LINK's 'everyone' campaign. **Action: Staff**

Independent evaluation of LINK's impact – Jen would invite ideas by email. Whilst numbers of meetings, outputs, etc, were relevant, the meeting noted that LINK's goal is to measure the impact of these, in terms of influence on policy and strategy. Ian Findlay suggested using info-graphics. **Action: Staff**

4.1B Evaluation pro-forma

The meeting noted the revised reporting and evaluation pro-forma noting that TF Convenors had seen copies and would be asked to complete the pro-forma twice a year, from September 2013. Trustees were invited to comment if they wished on how this might be improved, to Alice.

4.1C Dealing with diversity of views

In the wake of recent disagreement covered in the national press between RSPB and RS, Deborah reported that she had discussed with staff and some trustees whether and how LINK could advise. The resulting proposal was that in line with the strategic objective of encouraging members to live more comfortably with diversity, LINK should provide additional guidance to members who find themselves in serious disagreement with other members. Trustees' comments were invited on the proposal and the draft text. The meeting advised that the guidance be more clearly labelled as referring to circumstances where members differ over operations, as opposed to disagreement over policy already covered in LINK's operating guidance and well understood by the membership. Trustees felt LINK can offer guidance and encourage courtesy in relations, but cannot insist or require certain behaviours. On this basis, the guidance would be tweaked and included in the existing operating principles. **Action: Staff**

4.2 LINK business strategy

The circulated paper gave an update against the strategy signed off by the Board in October 2012 whose emphasis was on greater investment in fundraising, continued control on spending, greater cost recovery, and other initiatives designed to offset potential decline in traditional funding sources. The paper reported good progress; LINK's finances were in good health at this stage.

4.3 Interim update on network plans

The circulated paper reported on various developments since April including:

Next steps with LINK's 'referendum challenge' - The meeting focussed on the inevitability of change in the wake of the referendum (whether the outcome is the status quo/Scotland Act, further devolution, or independence) in terms of financial/fiscal management, fundraising, taxation and gift-aid, and related areas affecting voluntary sector organisations and other sectors. This had been flagged at an ACOSVO-OSCR meeting in May. Trustees agreed LINK should as a priority encourage members to prepare for this by providing a forum at which to consider the issues and get handles on the current thinking. Issues will differ depending on whether organisations are Scottish-only, UK, or with affiliations in the Irish republic. These are important to Treasurers and Chief Executives (and fundraisers) but also relate to policy advocacy, and LINK's forum should target all these players. There is some urgency though change will not begin to roll out until 2015/16 earliest; LINK will aim for an early 2014 gathering on these constitution-related issues with alerts to members much sooner and some forward planning by a core group. Contributions will be invited from members already developing thinking on the various strands. The discussions will be of interest to and could be made open to members in the other parts of the UK, the Links, etc. **Action: Staff, DL and LWA**

Congress – Alice spoke to the circulated update and the meeting made suggestions of speakers.

Responding to invitation to join Public Sector Climate Leaders Forum - The Board approved the proposal that LINK should nominate Sam Gardner to this forum; Sam's name had emerged from a consultation process with relevant players in LINK; the paper circulated outlined the basis on which Sam would operate as LINK's rep, or delegate.

4.4 Sustainable economic growth vs. sustainable development

Efforts being made across LINK to resist the direction in which the SNP Government was pressing for were noted and LINK regulatory reform bill team's intention to hold the ground firmly and fight strongly against this tide was supported.

4.5 The charity sector

The paper reported on renewed concern within LINK about the blurring of the distinction between citizen-led voluntary initiative and charities set up by government to deliver aspects of government's remit. Deborah invited trustees' views on the issues and on the question of whether LINK should look to challenge and or test this eg with OSCR.

Ian felt it would be useful to explore this and apply the charity test but to be very clear about what we are looking to establish/achieve; he felt the wider policy arena would not recognise or necessarily accept LINK's distinction of 'citizen-led' as opposed to 'government-established'; also that the test may be challenging as many charities receive over 50% of their funding from government and in these circumstances ministers could be said to be controlling all their activities. He felt a lot of the bodies relevant to LINK's concern are in the health and social sectors, and operate on service level agreements; with fewer in the environment sector where organisations operate much more on the basis of grants and conditions. Ian recommended that LINK drop its use of the term 'quasi' (LINK used this from the gos when exploring the concerns then) as this would confuse wider players.

Mike Robinson advised that in looking to test this, LINK should be aware this was a pandora's box, the majority of the sector's funding comes from government, arms' length executive organisations exist widely, and this kind of discussion will enter delicate areas and not necessarily win LINK friends even among those the network considers to be its allies.

The meeting noted LINK's concerns are about bodies set up by NDPBs as well as by central government, the potential for these to attract most available funding despite the existence of other voluntary players

which can deliver the required work, and the need for the public to be aware of the difference between emanations of the state, on the one hand, and genuine voluntary enterprise, on the other. The Governance Group was remitted to explore this further and invite relevant TFs to engage by offering examples which relate to LINK's governance agenda; an example already noted was the current merger of government's HS and RCAHMS (where the merged body is to be a charity).

Ross Finnie's recent discussion with Derek Robertson of KSB related; Ross had undertaken to respond to Derek on questions about LINK members' perception of KSB, and the Governance Group would consider these further. **Action: Governance Group**

4.6 Risk review

Jen had reviewed the register in the report circulated and indicated that staff would follow up actions in the coming months. She invited trustees to contact her about any gaps. **Action: Staff to pursue**

5. AGM PREPARATION & SUCCESSION PLANNING

The paper circulated reported on the necessary preparation for the AGM on 29 November.

The meeting deferred discussion of the proposed increase in membership subscriptions until discussion of item 6 on the Board's agenda.

In relation to the anticipated vacancies for elected trustees a call for nominations would circulate later in August and to inform this, Deborah invited trustees' thoughts on particular skills needs in the coming years. Bearing in mind the forthcoming resignations of Lloyd and Angus and the picture given by the current skills audit, she flagged areas of governance, law (for charitable endeavour but also for the wider environmental endeavour, and equal opportunities. The meeting supported these. It was agreed to include relevant skills among current staff in a separate section of the paper. The skill/experience of knowing the needs of smaller or larger voluntary sector bodies which is implicit in succession planning will be made explicit in the audit. Staff would also follow up notes of interest registered over the last eighteen months from a number of members, and suggestions made at the last meeting about potential players. **Action: Staff circulate call for nominations and update skills audit**

WRT spaces for co-opted trustees, the meeting endorsed Deborah's view that the skills which Mike Robinson and Mandy Orr bring, remain crucial and that they should be co-opted again after the AGM.

The proposal to recommend Dan Barlow's appointment as an Honorary Fellow was approved in view of his contribution to LINK. The meeting briefly discussed the remit of HFs, how LINK employs them, and agreed to review this to inform future appointment and ensure against the setting of precedents.

Actions: DL to DB; MR, PR, DL and staff to review HFs

6. FINANCIALS

6.1 Funding Subgroup report and recommendations

a. Independent Financial Examination

Paul Ritchie spoke to the paper circulated. He was comfortable with the recommendation that LINK opt for an independent financial examination only rather than audit, as suggested by Geoghegans, on the basis of the rationale stated in the paper (requirements, benefits, cost-savings). The meeting discussed this agreeing that LINK will aim to review services and costs on a 5-yearly basis as good practice and as a guard against relationships becoming too complacent. LINK will indicate this intention to accountants. Ian Findlay encouraged LINK to continue to produce a trustee's report which is useful for LINK with internal and wider audiences including funders, even if this is not strictly required as part of the IFE-only option. The meeting approved the proposal for LINK to change to IFE and continue with an annual

report. *(Staff note: the SORP states that since our turnover is greater than £100,000 we have to produce SORP compliant fully accrued accounts, so not to produce a Trustees Report is not an option legally)*

b. Choice of accountant

Paul proposed the appointment of Geoghegans as LINK's examiners in the wake of the recent review of accountants carried out by the Funding subgroup; his view was that this would bring a fresh set of eyes to LINK's work and a more proactive relationship offered by the company. The meeting considered whether SWT's relationship with Geoghegans presented any conflict of interest agreeing that the FSG's review and this Board discussion were adequate by way of safeguard. Mike Robinson, who had taken RSGS through a similar process recently, switching from Geoghegans to a more local firm after a period of 20 years, supported the need for regular review of services and also stressed the importance of ensuring a smooth handover, with good advance planning by LINK and both firms of accountants.

Action: staff to contact accountants

c. Investment of LINK reserves

Paul invited trustees to confirm what LINK's forward policy should be with reserve funds. For some years, these had been invested in ethical funds following a board discussion about the importance of acting in line with our advocacy as a network. The potential from investment in non-ethical funds such as was around £1,000 per year at least. The Board considered this and agreed that it is in very much in the interests of LINK's principles and objectives to continue the ethical investment policy and that this should be promoted where appropriate to members, funders and others. As part of the discussion staff confirmed that LINK's contingency reserve (to cover redundancy, lease commitments and other statutory obligations) was reviewed in 2012 and will be kept under regular review.

Action: Paul and Hugh to take forward as and when fund 'ends of term' occur

6.2 Budget outturn to 30 June and revised forecast to end of year (Paper 6.2)

Hugh spoke to the outturn and forecast, reporting that membership income is higher than forecasted by £8k – including RZSS now invoiced though not yet paid, as well as a few movements between bands for existing members. LINK's increased ability to claim higher against all SNH's grant was helping income and improving the forecast. He also outlined FSG thinking in relation to the 5-year forecast for membership and the assumptions around membership income (including securing new Band 1s, movements down between bands for some members, a 5% rise in subs in coming years).

Turning to expenditure the meeting agreed to go ahead with the Board's 2012 proposal to raise subscriptions (per se and not as inflation) for 2014/15 by a further 5% as previously planned; there was real uncertainty around future government funding, and research showed a dearth of obvious channels from which to replace LINK's EFF core support from late 2014. It was agreed to review the situation post referendum when more is known about the future of public sector finance and funding.

Hugh reported that cashflow was good at this stage with a projected £240k in reserves at the year-end, of which around £33k could be marine funding and £120k contingency. The meeting supported this higher level of reserves level and noted that the narrative should explain these are a surplus built up to help in the coming years of declining expenditure, in which additional funding would be sought to complement reserves and so underpin planned network activity.

The meeting approved the new graph advising it be re-titled 'extension horizon' and asking staff to maintain this and to continue to keep the contingency need under regular review.

6.3 Discretionary Project Fund bids received

The year's DPF allocations were reviewed; TFs had all been invited during the summer to bid and/or alert the Board to horizon plans. In response the Agri TF had bid and been allocated (via a Board email discussion). The fund now stood at £4050 and bids from Wildlife Crime TF and Economics Forum were approved (see below for detail). It was agreed that LINK's funding position was healthy enough to allocate further DPF later in the financial year if demand indicated a need. WCTF would be offered £2k conditional on the balance of funding being found from TF members. Ecs Forum would be offered £750. The balance of £1300 would be flagged to TFs. **Action: DL at networking, Staff**

7. AOB

Honours

The Board agreed LINK should nominate appropriate players for honours, following up previous attempts, and seeking to profile contributions to environment and sustainable development.

8. Next Board meeting

Tuesday 22 October, Perth.