



Board of Trustees Meeting

Report

Att 01 - Minutes of Board Meeting held on 14-Mar-19 - v0.2 - Draft

Date to be considered

20-May-19

Author

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Purpose of the paper

To provide the official record of the discussions and agreements reached at the meeting

Contribution to strategic objectives

Supports sustainability, innovation & governance

Staffing Implications

Not Applicable

Financial Implications

Not Applicable

Legal considerations

Not Applicable

Risk Implications

Not Applicable

Equality, Diversity & Inclusion

Not Applicable

Recommendation

To Receive & Approve

Detailed consideration

See Over

8. Macfarlane Trust (MFT)

IG informed the meeting he met four former MFT registrants on 7-Mar-19 & reported the following:

- Beneficiaries exhibited a deep lack of trust with organisations proclaiming to support them due to their negative experiences during the last 30-year period.
- The Executive Team strongly encourages the Board to in principle write-off the loans transferred to THT due to hardship & frailty of this vulnerable group.
- Press coverage of their plight has already been reported in national publications such as the Daily Mirror newspaper and Private Eye magazine.
- It isn't known why the MFT didn't write-off these loans before closing down but it is clear a process is needed to consider how to handle these cases to ensure THT is compliant with the legal advice received and Charity Commission guidance.
- GW suggested the risk of not writing-off the loans is significant & added these are a very vulnerable small group of people. 11 loans totalling £300k & affecting 9 people were transferred to THT. He added the charity should follow the legal advice received with a light touch process.
- SW enquired if people can take retrospective action against THT if they have repaid their loans already. IG assured her this is unlikely as any action would have to be taken against the lender and the MFT has now closed.
- WR noted the assets transferred from MFT to THT more than cover the loans and the reputational risk to THT is great, in any event, this would be a paper exercise and would not affect the financial position of THT materially.
- DC suggested a financial assessment of individual circumstances should be undertaken with the possibility of debt advice added if it were welcomed
- IG informed the meeting there is a need to assure the Charity Commission that a robust process has been used and followed.
- SW suggested a light touch process will alleviate further anxiety & help build trust moving forward.

- GM enquired if all loans need to be written off. IG assured him the process will establish this information.
- WR suggested the process that needs to be followed is as much about engagement to build trust.
- The Chair requested the process is robust enough to meet Charity Commission requirements but quick enough to bring closure before the next Board meeting.
- GW observed the reputational risk to THT is far greater than the financial risk and the matter should be delegated to the Executive Team to decide with a report back to the Board on the process followed and any decisions made (including where the Executive Team thinks loans should remain).
- GM enquired what happens if a lender dies before a decision is made. GW informed him engagement with the executor(s) will have to follow.
- BR enquired if there is any risk of setting a precedent. IG assured him THT does not have any other loans & we need to follow legal advice.

APPROVED: Trustees agreed in principle to write off the loans subject to a process of light touch engagement with registrants and delegated the decision to write off any loans the Executive Team with a requirement to report back to the Board on any final outcomes







