

THE MACFARLANE TRUST

**Minutes of the Meeting of the Board of Trustees held on
Monday 24th September 2012 at The New Cavendish Club,
44 Great Cumberland Place, London W1H 7BS from 10.00am**

PRESENT	Mr R Evans	(Chairman)
	Mr A Burgess	
	Mr M Gregory	
	Mr P Spellman	
	Mr R Mishcon	
	Ms E Jackman	
	Ms K Evans	
	Dr V Martlew	(Medical Trustee)
IN ATTENDANCE	Mrs L Haigh	(Finance Manager)
	Ms R Riley	(Support Services Manager)
	Miss C Hogan	(Administrative Secretary)
APOLOGIES	Mrs E Boyd	(Chairman NSSC)

PART A

- 567.12 Chief Executive**
The Board noted that Martin Harvey, the Chief Executive had retired on
GRO-A 31st August 2012. A final settlement had
been agreed jointly with the Caxton Foundation. The Chairman
informed the Board that within the settlement there were clauses that
restricted Mr Harvey's future contact with the Trust.
- 568.12 Apologies for Absence**
Apologies for absence had been received from Mrs E Boyd. The
Chairman said that she had sent a paper to him with her views on key
items on the agenda and he would ensure they were raised when
appropriate.
- 569.12 Minutes of Previous Meeting**
The minutes of the meeting held on 23rd July, previously circulated,
were signed as a correct record.
- 570.12 Matters Arising**
Trust Deed (556.12 and 518.11 refer)

The Board noted the Department of Health (DH) had agreed the Trust
Deed including the suggested amendments.

5th Floor Alliance House (556.12 refers)

Following the retirement of the CEO, the Finance Manager (FM) has taken on the leadership of the move. The Board were assured that the Caxton Foundation (CF), were expecting the lease for the 5th Floor to take effect from 25th December 2012.

The FM explained that due to legal implications the Caxton Foundation will not be able to engage in rent negotiations until mid-September. There had been a delay putting the relevant documents together following the sudden departure of the CEO.

The Board were concerned that the lease was still only a 'verbal agreement' between CF and Alliance House Foundation (AHF) and this would need to be formalised, legally. It was agreed that a discussion should take place between the Chairman of Caxton Foundation and a nominated Trustee of MfT to discuss the legal implications of the move for both entities.

N.B. Russell Mishcon offered to help.

571.12

Appointment of a Trustee

The Chairman introduced Ms Eileen Jackman, MfT appointee, and Ms Kate Evans, Haemophilia appointee to their first meetings of the Board. They were succeeding Christopher Fitzgerald and the late Stuart Fuller respectively.

GOVERNANCE AND POLICY

572.12

The Caxton Foundation/Macfarlane Trust Liaison Committee-31st August 2012

The Board received the unconfirmed minutes and were informed that all matters recorded in the meeting were detailed to be discussed in other parts of the agenda.

573.12

Future Governance Arrangements for allocating Grants and reserves.

The Chairman presented a discussion paper pertaining to the future of the National Support Services Committee (NSSC). The valuable work undertaken by NSSC over the years was acknowledged. There followed a discussion surrounding membership levels and tenure and whether an election process for appointing members of the committee should continue. There was concern raised by several board members, that the changing composition of the committee could be perceived as a lack of consistency when awarding requests. Equally there was value for both Trustees and beneficiaries in periodically changing membership.

It was agreed by the Board that any modifications to the NSSC would be adopted from 1st April 2013. Russell Mishcon proposed that from 1st April 2013 any trustee (with the exception of the Chairman) who wanted to sit on the NSSC would be able to attend meetings, with the committee being quorate at 3 members. If members did not attend 3 consecutive meetings, without good reason, they would no longer be permitted to sit on the panel. This would be reviewed in April 2014. The proposal was accepted 7:1 with no abstentions. To enable a fair appeals process, the Chairman and 2 other trustees not considering the original application would hear appeals.

There was further discussion surrounding policy issues being brought, initially, to the Board meeting to be discussed. Some Trustees were concerned as to whether there would be sufficient time for full discussions at Board meetings and whether there should be a preliminary forum. It was agreed that this would be considered further at the next Board meeting in January 2013.

574.12

Trust Reserves (561.12 refers)

The Board noted that the DH had deferred consideration of the Trust's proposal until 31st October. At this time the Trust will be expected to submit a full business case for the disbursement of the Reserves. It was suggested that, in the absence of a CEO, the Chairman would draft the Business Case. He agreed to do this on the understanding that it be approved by Trustees before it was submitted to DH and it was recognised as a corporate Board document.

The Board were informed that there had been positive feedback following the =MC survey process. =MC had originally been contracted to carry out 200 surveys but due to the high level of response from the beneficiary community, they had carried out 219. There were approximately 30 beneficiaries whose requests could not be fitted into the =MC survey. They had all been offered and nearly all accepted interviews with a member of the Support Services Team over the next few months. The Board was reminded that =MC had been commissioned to undertake the work in the first place as the Support Services Team did not have the resources to conduct the exercise. The Board noted that the initial intention of the survey was to support the drafting of the Business Case to be submitted to DH. Subsequently, the information collected would be used to reach decisions on the commitment of reserves funds. The Board were assured that no beneficiary interviewed by a member of the Support Services team would receive preferential consideration or be disadvantaged in any way compared with those interviewed by =MC.

There was concern noted from the beneficiary community as to the transparency of the allocation process. The Chairman stated he would be part of the process as a whole but would not be deciding on individual cases.

It was apparent that needs for financial assistance far outweighed the funds that may be available, even if all reserves could be committed. On the basis of feedback so far the cost of first needs for all beneficiaries surveyed was likely to be in excess of £5.5M whereas the reserves held totalled approximately £4.5M.

Early indications show that the principal needs were for home improvements, followed by money and employment needs.

The Support Services Manager (SSM) apprised the board of concerns that had been raised at the recent Partnership Group. Many beneficiaries were concerned that the need for MfT to submit a Business Case to DH for committing the reserves would raise the expectations of the community, and if all requests were not met there would be a backlash against the Trust.

There was a full discussion regarding the level of the reserves, their possible allocation, and their accumulation over a given time period. In order for the board to have clarification of this the Chairman asked the FM to collate the information on the reserves balance for the last 10-15 years.

The Board concluded that following the new guidelines for the NSSC (573.12 refers), the committee could be used as an allocation based working party for the disbursement of the reserves monies. It was agreed that due to the anticipated levels of interest the disbursement of reserve funds will instigate, it would be judicious for any decisions to be made with the participation of the Board as a whole. The Chairman said that, given the importance of this issue, the process to be followed when considering individual applications, must be transparent. He also intended overseeing the operation. He corrected a misunderstanding and made it clear that he was not proposing to participate in reaching decisions on individual applications.

The question was raised whether the NSSC should be renamed in order to draw a line under negative past associations. It was agreed that this would be brought to the next meeting for further discussion. It was brought to the attention of the Board that due to the in depth nature of the survey, many registrants may be in need of counselling following its completion. It was suggested that the offer of counselling would be included in a follow up thank you letter.

575.12 Circulation of Minutes (565.12 refers)

After an in depth discussion concerning the format of future minutes, it was agreed by a majority of 6:3, with no abstentions, that the minutes of all future Board meetings would be published on the MacFarlane Trust website once they had been agreed by the Board at the following meeting. Inevitably, there would be a need, from time to time, to have a private section when personal matters affecting beneficiaries and/or Trustees needed to be raised. These would be kept to a minimum.

FINANCE

576.12 Financial Reports

1. Discretionary Disbursements Summary.
The FM explained that due to the early date of the meeting the quarterly reports were not currently available. They would be circulated separately to Trustees.

The Board were informed that the Trust's expenditure was still greater than its income and current shortfalls were being financed by the reserves.

2. Investments for 2012/13.
The Board noted the investment statements and were informed that the Honeycombe Memorial Fund has a remaining balance of £39,000
3. Bank mandate proposal.
The FM apprised the Board of a proposal for the addition of an office based signatory until the new CEO is in post.

The Board agreed that for amounts up to £1000 the FM and Finance Assistant would, in future, be signatories. The remaining authorities would remain unchanged. The Chairman will be added as a signatory for the Lloyds internet banking.

577.12 The National Support Services Committee

1. The minutes of the NSSC meetings on 18th July and 29th August and the consolidated grant schedule were ratified by the Board. The proposal to exclude Carers Allowance when calculating income was agreed by the Board.
After much discussion, regarding whether the Skipton Fund payments should be included in beneficiaries' income levels it was agreed that the matter would be discussed at the next NSSC meeting following which a recommendation would be made to the Board.
2. Funding application report.
The Chairman informed the Board that the loan agreement had been received and signed by 2 Trustees.
3. The Board reviewed an options paper regarding the levels of discretionary top up payments for 2013/14. It was agreed that they be increased for 2013/14 in line with the CPI figure at 30th September 2012 (which would be published on 16th October).The

changes to the benchmarks were referred to the NSSC for agreement.

578.12 Appointment of a Chief Executive

The Chairman updated the Board with the on-going timetable for recruiting the new CEO, jointly with the Caxton Foundation. A procurement process had been followed and Veredus had been hired to handle the recruitment process, including the research, shortlisting and initial interview stages; the total cost to MfT would be in the region of £8,000-£10,000. The Chairman was drafting the job description with CF.

The Board agreed that the interview panel would comprise the Chairman and, in addition, an equal number of Trustees as the Caxton Foundation; this should ensure a fair selection process. The Chairman was left to approach individual Trustee(s) to sit on the appointments panel outside the meeting, once the interview date was known.

The Board suggested there should be an informal meeting with the shortlisted candidates. This meeting would be open to both MfT and CF trustees. The Chairman agreed to discuss this with the CF MfT Chairman.

579.12 Chairman's Report

The Board received the report detailing the work the Chairman had been doing since the previous meeting. He pointed out that with the retirement of the CEO he had needed to carry out a number of executive activities on an interim basis.

He reminded the Board that CF had decided to appoint an interim CEO. The Board reiterated their informal view that this was an unnecessary step and expense for MfT. The staff, with the support of the Chairman and other Trustees, should cover the duties, as they did when the CEO was on long term sick leave in 2010/11. The Chairman assured the Board that although CF had decided to recruit an interim CEO he would do all he could to ensure that the interests of MfT were not compromised whilst the CF interim CEO was in post.

The Board approved a proposal from the Support Services Manager to utilise the money remaining in the Honeycombe Fund to enable the partners of primary beneficiaries to gain empowerment through training or business ventures following workshops in personal growth run at the 'Something for the Weekend' event.

The Board noted the sad passing of The Right Hon Lord Archer of Sandwell and The Right Hon Lord Morris of Manchester.

The IT report was noted.

580.12 Any Other Business

The Chairman shared an 'open letter' with the Board from the Chairman of the recently re-instated Partnership Group (PG) detailing the areas of concern and discussion that had taken place. He informed the Board that he would be writing back to the PG assuring him continued communication. It was agreed that, in future, a "Partnership Group" item would be on all Board agendas and the Chair of the PG would be invited to attend for this item, in order to discuss PG matters with the Board.

Owing to the travel schedules for some Trustees it was agreed that the start time for subsequent Board meetings would be changed to 10.15am.

581.12 Schedule of Meetings

The meetings for 2013 will be;

21st January
22nd April
22nd July
21st October

The venues for these meetings will be confirmed nearer the dates.

The meeting adjourned for lunch at 1.45 after which the Chairman conducted the private section of the meeting without staff members.