

## **JOHN MUIR TRUST: TRUSTEES' MEETING**

### **Minutes of Meeting held on Friday 26<sup>th</sup> July 2019 at Tower House, Pitlochry**

**Present:** Peter Pearson (Chair), Alan Dobie, David Gibson, Jim Gibson, Phil Graves, John Finney, John Fox-Davies, Patricia Jordan, Duncan Macniven, Chris Townsend and Andrew Whitfield

**Apologies:** Gair Brisbane, Derek Johnston and Xander McDade.

**In attendance:** Andrew Bachell (Chief Executive), Kerry Ross (Director of Finance and Resources), Kevin Lelland (Head of Development and Communications), Emma Reed (Award and Engagement Manager) and Ross Brannigan (Engagement Officer – item 4).

#### **Item 1 – Introductory items**

Peter Pearson welcomed everyone to the meeting – particularly Emma Reed, the recently-appointed John Muir Award and Engagement Manager. The apologies were noted. Peter Pearson requested declaration of any conflicts of interests: there were none.

#### **Item 2 – Board Skills audit feedback & appointment to committees (Paper A)**

Andrew Bachell explained that the paper included anonymised information about the skills and experience of 10 Trustees. He now had information from the remaining 4 Trustees, one of whom had asked for the information not to be circulated. Trustees remarked that the information was in any case very subjective. Andrew Bachell agreed to prepare a paper about the effectiveness of the exercise, for discussion at the September meeting, inviting Trustees' comments about their experience in completing the questionnaire. The discussion would inform the call to members for 2020 Trustee nominations [**Action Point 1**].

Trustees **agreed** the following additional appointments to Committees:

- Finance Committee: Gair Brisbane and Phil Graves (joining existing members Jim Gibson, Peter Pearson, David Gibson and John Fox-Davies);
- Fundraising Committee: John Finney and Patricia Jordan (joining existing members John Fox-Davies and Peter Pearson – Richard Williams having stood down as a Trustee);
- Governance Committee: David Gibson, John Finney and Xander McDade - subject to consultation with Xander, particularly to ensure that he would be available for meetings during the forthcoming very busy period (joining existing members Alan Dobie, Peter Pearson and Derek Johnson);
- HR Policy Committee: Andrew Whitfield and Derek Johnston - subject to Derek's agreement (joining existing members Duncan Macniven, Peter Pearson and Patricia Jordan);
- Health and Safety Committee: Andrew Whitfield, with Duncan Macniven as alternate.

#### **Item 3 – Half-year financial results and costed strategic matrix (Paper B)**

Peter Pearson noted that the half-year results were particularly important because this was the moment when Trustees could most easily agree any necessary changes in the budget.

Kerry Ross welcomed the fact that, only 2 weeks after the end of the half year, almost all receipts and payments had been brought to account – a tribute to the many staff involved. **Income** was about a quarter below budget – but the only area of concern was a shortfall in land grants, which could be made good from reserves. Kevin Lelland explained that a legacy had been received in early July which made him confident that the end-year legacy target would be met. It was gratifying that income from major donors was only just

below target, despite the key post being vacant for most of the period. Turning to **expenditure**, Kerry Ross reported that the budget was underspent and that the year was likely to end with an underspend. Jim Gibson noted that a deficit compared to budget was likely for the full year, but that reserves should remain just above the 4-6 month target. In short, Kerry Ross advised that there was nothing in the half-year out-turn, or in the linked operational performance, which should prompt Trustees to revisit the budget.

Kerry Ross drew Trustees' attention to the way in which the Trust's systems now linked financial and operational performance for the first time. The results needed refinement in the way described on page 4 of the paper, but that should pose no great problem.

In discussion, Trustees:

- explored whether the benefits of the new system justified the extra staff effort. Kevin Lelland said that it allowed the Management Team to ask more intelligent questions on the financial performance, without overloading staff. Phil Graves commended the approach, which many organisations would envy.
- requested that, in future reports, the table on page 1 of the paper include an additional column giving the full-year forecast and that a short commentary be given on the impact of income shortfalls on operational activity [**Action Point 2**].
- asked whether the subscription increases approved by the AGM underlay the shortfall in subscription income. Kevin Lelland thought not: there had been a similar shortfall in each of the past 3 years and other metrics, such as the retention rate, seemed on target. He would report to the September meeting on the impact of the increases [**Action Point 3**].
- queried why support costs were as high as 43% of staff expenditure. Kerry Ross explained that the figure included the fundraising team and senior staff costs, which at the full-year stage would be allocated to operational functions. The percentage of total expenditure on charitable purposes was satisfactorily high, and higher than many other environmental charities.
- asked about the performance of the trading company. Kerry Ross reported that income from Wildspace was slightly higher than budget and timber sales slightly lower. She was uncertain about the end-year forecast but there was nothing which caused her concern.

Trustees **noted** the financial report and **welcomed** the new reporting format, congratulating Kerry Ross.

#### **Item 4 – AGM update (Paper C)**

Kevin Lelland and Ross Brannigan reported the results of the survey of members and staff who had attended the AGM. In summary, the weekend was well-received by those who attended – except for the AGM itself, where there was disappointment (although understanding) about the time devoted to discussion of the Special Resolutions and the consequent loss of the Open Forum. The lessons would be taken into account in the planning of the 2020 AGM. Trustees **agreed** the recommendation that the AGM be held in the Borders, in a location easily-accessible from both from the Central Belt of Scotland and northern England.

#### **Summary of Action Points**

**AP1** September meeting to discuss the effectiveness of the Trustee skills and experience survey.

**AP2** Financial reports to include full-year forecast and commentary on the impact of income shortfalls on operational activity.

**AP3** September meeting to discuss the impact of the subscription increases.