

JOHN MUIR TRUST: TRUSTEES' MEETING

Minutes of Meeting held on Tuesday 3rd December 2019 at The Atholl Centre, Pitlochry

Item 1 - Welcome, apologies, conflicts of interest

Present: Duncan Macniven (Meeting Chair), Alan Dobie, John Finney, John Fox-Davies, David Gibson, Jim Gibson, Derek Johnston, Patricia Jordan, Xander McDade, Chris Townsend, Andrew Whitfield.

Apologies: Gair Brisbane, Philip Graves, Peter Pearson.

In attendance: Kerry Ross (Director of Finance & Resources), Mike Daniels (Head of Land Management – items 1-7), Kevin Lelland (Head of Development & Communications), Emma Reed (John Muir Award & Engagement Manager – items 1-7), Alice Carbone (Wild Space Manager – item 8), Iona Sutherland (minutes).

No conflicts of interest were declared.

In Peter Pearson's absence through illness, Duncan Macniven had volunteered to chair the meeting; Trustees agreed.

Item 2 - Minutes of last meeting (Paper E)

Duncan Macniven thanked Jim Gibson for taking the minutes of the meeting on 20th - 21st September. They were approved with the following amendment to item 3: Derek Johnston clarified that he had declined to go on to the HR Policy Committee not because he was *unwilling* but because he was *unable* to do so, owing to other JMT commitments, notably his role on the Governance Committee.

Item 3 - Matters Arising

Item 10 – Corporate Strategy update - Ambassadors (IC18)

David Gibson asked how Trustees, who might be interested in attending, were notified of upcoming events. Kevin Lelland undertook to circulate periodically a list of such events. [**Action Point 1**]

Item 12 – Staff Handbook revision

David Gibson asked if the revision to the Staff Handbook constituted a change to employee contracts and if there was to be a consultation process. Kerry Ross confirmed that no change to contracts was necessary as the contract already required staff to comply with the Handbook. Because the Good Works 2020 legislation simply replaced the existing Working Time Regulations, consultation was not required.

Item 8 – Galson Estate

Alan Dobie suggested that greater clarity was needed on which matters came to the Board. Duncan Macniven noted that a matter might be operational but because, for example, of reputational consequences, should be brought to the Board. Otherwise, senior management should discern which matters should be referred to Trustees. Kerry Ross explained the criteria used by senior management in this process: whether an issue posed a constitutional, significant financial or significant reputational risk. Trustees welcomed this clarification.

Item 4 - Action Points from Previous Meetings (Paper F)

All action points had been discharged, except point 3 from 18th March and point 4 from 14th June, which would be acted on when the time came. John Finney expressed concern that Topical Forums might be perceived as less important than Board meetings, but were in fact opportunities to debate important. Trustees **agreed** the importance of the Forums.

Item 5 – Budget 2020 (Paper G)

Kerry Ross presented the paper and asked the Board to approve the budget which envisaged a deficit of £418k and delegate responsibility to the CEO and Director of Finance & Resources to allow additional items totalling £238k to proceed if the funds and other resources became available. She underlined the difficulty of predicting 3 years in advance, particularly when entering a potentially volatile economic and political climate: the forward years' figures were therefore tentative. Jim Gibson advised that the proposed budget was recommended by the Finance Committee.

In discussion, Trustees:

- asked to see a list of what was to be released from restricted funds, to ensure that it was in line with the intended purpose. A more detailed breakdown of departmental budgets was also sought for next year's budget discussion. Kerry Ross explained that the Finance Committee had already reviewed the fund release process and that the auditors would also go through this in detail. Kerry Ross agreed to provide an abridged fund review spreadsheet [**Action Point 2**] but was hesitant to release more detail as this would be onerous for all Trustees to review and she felt there were sufficient review processes already in place. She said that the level of reserves shown in the paper for the forward years would be increased as a consequence of the release of restricted funds.
- pointed out that 'primary' departments appeared to have taken a cut, whereas the budget for 'secondary' functions did not seem to be reduced and that spending on "Protect and Conserve" was much lower than the other three corporate strategy themes, despite being the Trust's first two charitable purposes. Kerry Ross explained that support function costs tended to be relatively fixed whereas frontline activities flexed up and down depending on funding and resource availability. The allocation of costs for budgetary purposes was to an extent artificial: the true picture was shown in the published accounts. The Corporate Strategy was robust but that the next step was to review the structures required to achieve the desired outputs.
- noted that the fundraising team was at its highest level ever and noted that, in due course, the payoff from that investment should be assessed.
- asked whether planned projects on properties were likely to go ahead. Mike Daniels advised that it was difficult to be certain at this stage, as proposed timescales might be affected by a number of issues such as staffing (including availability of contractors), access and external planning constraints.
- enquired if the fundraising team was finding that the current level of reserves was deterring donors and **agreed** that the Finance Committee should review the reserves policy as a non-urgent task, to consider whether an increase in the level of reserves would be prudent. [**Action Point 3**]
- asked that the Charity Investment Policy document be shared with Trustees for agreement, once Kerry Ross and Gair Brisbane had completed it. [**Action Point 4**]

Trustees **approved** the 2020 budgets for the Trading Company and the Trust and noted (with Kerry Ross's caveats) the currently forecast position for 2021 and 2022.

Item 6 - Chair succession (Paper H)

John Fox-Davies introduced the paper and discussion ensued including **agreement** that:

- 500 words, rather than 1000, were sufficient for the written statement.
- the proposed closing date for submission of written statements should be 14th February to allow time for candidates to apply while also giving sufficient time for statements to be circulated ahead of the March meeting.
- Kerry Ross should act as Returning Officer for the duration of the exercise, rather than passing over to David Balharry when he took up post.

In the light of Peter Pearson's indeterminate period of absence, and the importance of having clear leadership as a matter of good governance, Trustees **agreed** to take steps to appoint an Acting Chair. Duncan Macniven stated that he was willing to take on the role of Acting Chair strictly until Peter

Pearson was well enough to resume duties. There were no other volunteers for the role. The following process took place:

- Xander McDade proposed that paragraph 3.1 of the Standing Orders be suspended and John Fox-Davies seconded this. It was **agreed** by all trustees present.
- John Fox-Davies proposed that Duncan Macniven take on the responsibility of Acting Chair and this was seconded by Alan Dobie. It was **agreed** by all trustees present.
- All Trustees present **agreed** that Standing Order 3.1 should stay suspended until the election of the next Chair and that Duncan Macniven should assume - with immediate effect - the full duties of Chair until that time.
- Following discussion it was **agreed** that there was no requirement to inform members formally at this point but that including 'Acting Chair' on Duncan Macniven's Trust website profile would be a more subtle but transparent approach.

Trustees **approved** the continuation of the Chair's Working Group, subject to the Terms of Reference being updated by John Fox-Davies and circulated for comment. **[Action Point 5]**

Trustees considered whether there should also be an Acting/Deputy CEO in the absence of the CEO. Kerry Ross explained that there was a management arrangement in place which shared responsibilities across the Management Team. Trustees **noted** that; however, Xander McDade stressed that it was not only about sharing the load but about having an interim figurehead. Trustees **agreed** that it was important not only to share the workload but also to have clear leadership, and that a Deputy CEO should be identified by David Balharry when he took up post. **[Action Point 6]**

Item 7 - Governance actions for Board approval from Topical Forum (Paper I)

On behalf of the Board, Duncan Macniven thanked the Governance Committee for their work to bring forward the revised Articles of Association. Alan Dobie sought a steer from the Board with regard to the next steps, in the light of the detailed discussion at the Topical Forum the previous day.

Governance Review Consultation

Trustees **agreed** that Kevin Lelland's paper on the Governance Review Consultation set out a workable process for garnering members' views, subject to minor amendments including:

- holding a workshop at the 2020 AGM was thought, on reflection, not to be timely;
- workshops at local members' groups would not always be practicable but local groups would be offered a representative if they wished;
- there might be a group of people who wanted to engage in detail and there should be the option of offering meetings, though individuals would not be specifically targeted.

It was **agreed** that the questionnaire/consultative document should go to the Board for comment. It was suggested that the October Journal could be a means of sharing the hard copy version.

Article 14

It was **agreed** that the suggested change to Article 14 would not be proposed at the 2020 AGM, in order to keep that AGM governance-free. Rather, it should be presented to the 2021 AGM with the remaining changes to the Articles. If that AGM proposed to use Article 14 to trigger a ballot, such a ballot would be worthwhile.

Board membership

Trustees **agreed** to propose the following changes to Board membership:

- 12 members would be elected by the Trust membership;
- up to 3 members could be co-opted in order to balance the composition of the Board, although it might not be necessary to co-opt any members;
- members could serve up to two 3-year terms of appointment – but that should be followed by a gap of 3 years (rather than 1 year) before they could stand for re-election;
- co-opted trustees must be Trust members and should not be eligible for appointment as Chair or Acting Chair.

Chair's appointment

Trustees had diverging views on the proposal to have the Chair endorsed anew every year. They concluded that the Governance Committee should consider the matter further, speaking to Colin Liddell about his rationale for the proposal, before bringing back to the Board for decision.

Number of supporters

Trustees discussed whether the number of supporters a Trustee candidate required should be reduced from 5 to 2, whether the status quo should be maintained or whether the requirement should be eliminated altogether in order to simplify the process and attract candidates who knew few other members. The length of time a candidate should be a member before standing was also raised. It was **agreed** that the context should be set out in the consultation process and that a decision would not be made at this juncture.

Conclusion

The Governance Committee was asked to bring to the March Board meeting a revised draft of Articles with a draft consultative document/questionnaire [**Action Point 7**]. There was **agreement** that the consultation should be launched at the 2020 AGM as members attending the AGM were likely to be the group most engaged.

Item 8 - Wild Space redevelopment (Paper J)

Trustees visited Wild Space for an on-site explanation of the proposals by Alice Carbone. Ideas for the use of the gallery space and for maximising the retail potential and impact on visitors as they entered Wild Space were discussed. Trustees noted the intention to close for refurbishment in early 2021, when footfall was lowest. Trustees **welcomed** the proposals.

Item 9 - Board skillset evaluation (Paper L)

Trustees **agreed** that it was important to review the skills of Board members, notably as a basis for appointment to committees and for identifying gaps which might be filled by new trustees. Following discussion of the imperfections of previous approaches, Trustees **agreed** that an evaluation should be carried out after the 2020 AGM, using a 3 point scale, with guidance supplied for each category. Self-assessment would be followed by review by the Board collectively, looking at the team as a whole. Trustees were invited to identify skills missing from the previous matrix. [**Action Point 8**]

Trustees **agreed** to carry out a Board effectiveness survey in Jan/Feb 2020, mindful of the need to avoid interrupting staff involved with the audit process at that time. Duncan Macniven and Kerry Ross should move forward with identifying suitable survey questions.

The January Topical Forum should be used for training Board members on their HR and H&S responsibilities, although there would be other items on the agenda also.

Trustees **agreed** that a Board development process was in principle desirable but that, in the absence of the Chair and CEO, this should be postponed for the time being.

Item 10 - Corporate Strategy Metrics with SE link update (Papers K and Ki)

Kevin Lelland reported that Scottish Environment LINK was complementary to the Trust's work on a number of issues including deer, hill tracks and land reform. At the request of the LINK chief executive, and after discussion with the Management Team, he had put his name forward for election to the LINK board. Trustees **welcomed** the report and the value to the Trust of re-joining LINK. Kerry Ross advised that the Trust was exploring membership of a similar organisation in England and Wales.

Kerry Ross spoke about the Corporate Strategy update, in the new format. As the year had progressed, red and amber targets were coming down as action was taken on them. She pointed out that the Trust could not resource everything owing to the current absence of a Chief Executive. Trustees **noted with approval** the paper and the achievements set out therein. Trustees were reminded that the risk register would be presented to them every 6 months and that a full year review of the Corporate Strategy matrix would be presented at the March meeting.

AOCB

Duncan Macniven reported that he had updated the Patron's office on the appointment of the new CEO and that there was an invitation to a meeting with the Private Secretary which he had suggested should be deferred until David Balharry was in post and Peter Pearson had resumed the chair

Duncan Macniven advised that, with the agreement of the HR Policy Committee, Kerry Ross had successfully negotiated an early release from the contract with Croner and, following satisfactory references, had engaged the services of a new HR adviser ('HR Department' represented by Gillian Reilly) from 1st November. Gillian was reviewing the latest draft of the Staff Handbook. Kerry Ross highlighted the benefit to the Trust to have more accessible advice on HR – a subject on which Trust staff had no expertise. Trustees would meet Gillian Reilly at the January Topical Forum.

Kerry Ross reported that the HR Policy Committee had agreed to the following staff pay proposals:

- a 1% pay increase for all staff, with the remaining 0.7% of the budgeted pay increase to be divided equally among all staff on an absolute basis, to narrow salary differentials;
- A further £11k is to be divided between the Management Team in recognition of the additional responsibility assumed in the absence of a CEO.

Summary of Action Points

- AP1** Kevin Lelland to circulate periodically a list of events which Trustees might be interested in attending
- AP2** Kerry Ross to provide a summary list of releases from restricted funds
- AP3** The Finance Committee to review the Trust's reserves policy as a non-urgent task
- AP4** Kerry Ross to provide the Charity Investment Policy document, once finalised
- AP5** John Fox-Davies to update the Chair's Working Group Terms of Reference and circulate for comment.
- AP6** David Balharry to identify a Depute/Acting Chief Executive
- AP7** The Governance Committee to bring to the March Board meeting a revised draft of the Articles and a draft consultative document/questionnaire
- AP8** Trustees to identify Board skills missing from the previous matrix.

Iona Sutherland – 20th December 2019
Approved by Trustees – 16th March 2020