



ARCHITECTS BENEVOLENT SOCIETY

Board Meeting

To be held at 2pm on Wednesday 11 October 2023 at 6 Brewery Square, London SE1 2LF and on zoom

There will be an informal meeting of the trustees at 12.30pm and lunch will be served in the same location from 1pm

Join Zoom Meeting

<https://us02web.zoom.us/j/88942182454?pwd=U0hTYm9kZlZlKShAYTGFoU0ZOdEZJdz09>

Meeting ID: 889 4218 2454

Passcode: 237016

1 **Apologies for absence**

2 **Declaration of interest**

Those present to declare any prejudicial interests in items on the agenda and their nature

3 **Minutes of the last meeting**

Held on Wednesday 14 June 2023 (*attached*).

4 **Matters arising from the minutes**

5 **Board**

5.1 Budget for 2023-24
Paper annexed at A

5.2 Meeting dates in 2024
Paper annexed at B

5.3 Risk policy
Paper annexed at C

5.4 Membership of Committees for 2023-24
Paper annexed at D

5.5 Routine Approvals
Paper annexed at E

6 **Report of the Welfare Committee**

Minutes of the meeting held on Wednesday 9 August 2023 are annexed at F

7 **Report of the Development and Engagement Committee**

Minutes of the meetings held on Thursday 17 August 2023 are annexed at G

8 **Report of the Finance, Audit and Risk Committee**

Minutes of the meeting held on Wednesday 6 September 2023 are annexed at H

9 **Report of the Nominations and Remuneration Committee**

Minutes of the meetings held on Wednesday 5 July 2023 are annexed at J

10 **Any other business**

11 **Dates of future meetings**

Wednesday 14 February 2024

Wednesday 5 June 2024

Wednesday 25 September 2024

ARCHITECTS BENEVOLENT SOCIETY

Board Meeting

Minutes of the meeting held at 6 Brewery Square, London SE1 2LF on Wednesday 14 June 2023 at 2pm

Present: Mark Grzegorzczuk – Chair Andy McLeish Aled Rees
 Richard Brindley John Moakes Sangeeta Shenoy
 Ant Clerici Lucy Mori Sumita Singha
 Rick McCluggage Karen Rogers Nigel Thorne

In attendance: Alison Thornton-Sykes
 Richard Beer (Development Manager)
 Katie Vivian (Operations Manager)
 Sarah Gartshore (Chief Financial Officer)
 Robert Ball (Chief Executive)

1 Apologies for absence

1.1 None

2 Declarations of interest

2.1 There were none.

3 Minutes of the last meeting

3.1 Subject to some minor amendments, the minutes of the meeting held on Wednesday 15 February 2023 were approved as a correct record and signed by the Chair.

4 Matters arising from the minutes

4.1 There were none.

5 Investment manager reports

5.1 Cazenove

- 5.1.1 Robert Inglis and Rory Fleming joined the meeting via zoom.
- 5.1.2 As at the end of May the main portfolio stood at £4.9M, a return of 0.64% for the calendar year to date, compared to the total return target of 4.85% over the same period.
- 5.1.3 2022 had seen a breakdown in the classic relationship between equities and bonds, typically when one fell the other rose, but bonds had seen their worst year since the 1930's, at the same time as the performance of equities also being negative.
- 5.1.4 The main fund currently held 46% of equities, with 26% in both bonds and alternatives and 2% held in cash, it was thought likely to increase cash holdings in the short term as it was earning around 4% at the current time.
- 5.1.5 The portfolio risk profile was positioned within the balanced category, with an expected return over the longer term of 5.7%
- 5.1.6 Turning to the ESG investment and the transition to align with the new ABS guidelines, Cazenove were suggesting an alternative asset allocation which would include holding around 32% of the portfolio within a Schroder sustainable collective fund.
- 5.1.7 Any such move to holding a large proportion of the portfolio (over 10%) within a single fund would be in breach of the Investment Policy, although the Policy does permit exceptions, and would need to be discussed in detail and subject to approval by the Finance, Audit and Risk Committee.
- 5.1.8 With regards to the performance of ESG investments, since 2018, sustainable balanced portfolios had performed better than the ABS portfolio and it was hoped this would help to reassure the Board that the introduction of far tighter restrictions on unethical/sustainable equities would not unduly affect performance.
- 5.1.9 Robert Inglis and Rory Fleming were thanked and left the meeting.
- 5.2 Investec
- 5.2.1 John Hildebrand and Sabina Khan joined the meeting via zoom.
- 5.2.2 The main portfolio stood at £4.84M, a return of 4.2% over the last 12 months, performance over the period assisted by the portfolio being overweight in overseas equities which had been the strongest performer.
- 5.2.3 Investec were transitioning to a more global position within equities following the recent changes to the Investment Policy, they preferred overseas equities as opposed to UK equities at the current time due to their greater exposure to growth sectors. Additionally, their preference was to invest directly in overseas equities, this would save on costs and make it a little easier to meet the ESG requirements of the Policy.
- 5.2.4 There had been a positive start to 2023 with lower volatility within equities and bonds and US inflation was continuing its downward trend.
- 5.2.5 Markets were expecting interest rate cuts later in 2023 in the US, although this came with the risk that the market would be disappointed if the US Federal Reserve maintained current levels.
- 5.2.6 Turning to ESG investments, the portfolio was positioned relatively well, being lower than the benchmark on overall ESG risks, lower than the benchmark on emissions and above the benchmark related to aligning with sustainable development goals. All these were expected to improve further as the transition to a more sustainable and ethical portfolio continued.

- 5.2.7 John Hildebrand and Sabina Khan were thanked and left the meeting.
- 5.2.8 There was general agreement that ABS had made significant progress in its approach to ESG investing, those involved were thanked for their efforts and the Policy would continue to be reviewed and refined going forwards.

6 Trustee officers

6.1 Chair

It was agreed to elect the following Trustee Officer under Article 27.1.1 and for a term commencing from the conclusion of the meeting until the conclusion of the Board meeting in June 2024;

Mark Grzegorzczuk

6.2 Honorary Treasurer

It was agreed to elect the following Trustee Officer under Article 27.1.2 and for a term commencing from the conclusion of the meeting until the conclusion of the Board meeting in June 2024;

Nigel Thorne

7 Annual business

7.1 Adoption of the Accounts for the year ended 30 September 2022 and the reports of the Board and the Auditors thereon

- 7.1.1 The adoption of the Accounts for the year ended 30 September 2022 and the reports of the Board and the Auditors thereon was approved.

7.2 Charity Commission Annual Return

- 7.2.1 A print of the electronically completed annual return was annexed at A. This was stored in draft form by the Charity Commission until approved by the Board, at which point it becomes publicly available on the Commission's website. All of the financial information included had been taken from the annual accounts adopted under item 7.1.

- 7.2.2 The Annual Return was approved.

7.3 Appointment of the Auditors

- 7.3.1 Having been through a rigorous review, commencing with an initial list of 10 firms of auditors, of which 7 submitted tender proposals, the Finance, Audit and Risk Committee were recommending that Moore Kingston Smith were appointed to carry out the audit of the current financial year ending on 30 September 2023.

- 7.3.2 This was the first time the auditors had been reviewed and/or replaced in over 100 years and it was noted that good practice suggested reviewing and replacing the auditors no later than every 10 years or so.

- 7.3.3 It was agreed to appoint Moore Kingston Smith as the auditors for the year ending 30 September 2023.

8 Board

8.1 Appointment of new Trustee

- 8.1.1 Subject to all appropriate checks having been carried out and the candidate having signed the declaration, the Trustees agreed to appoint the following as Trustee of the Society under the terms of Article 25 and Member under the terms of Article 28:

Alison Thornton-Sykes

8.2 Reappointment of Trustees

- 8.2.1 Under the terms of the Articles of Association and transitional arrangements for trustee appointment provisions, the following Trustees' terms came to an end on 15 June 2023 and they were reappointed for a further term of up to three years:

Aled Rees
John Moakes
Nigel Thorne

8.3 Welfare spending and budget review

- 8.3.1 A paper was annexed at B, detailing the welfare overspend versus budget and two options for the Board to consider, to increase the budget in line with expenditure and up to what was thought to be a maximum spend if the number of beneficiaries continued to increase and a second option to cut spending in such a way as to bring it back to budget.
- 8.3.2 The paper included proposals to improve budgeting and oversight going forwards and highlighting the need for an overhaul of grant giving, informed by the finance review which had just commenced and a much better understanding of affordability.
- 8.3.3 There was strong support for not cutting expenditure at this stage, this would impact heavily on beneficiaries in the middle of a crisis and would come with reputational risk. It was further stressed how important it would be to amend grant giving going forwards to bring down the deficits and expenditure to within affordable limits, also on introducing steps that could be taken in future if and when expenditure looked like it might be increasing towards the top end or beyond budget.
- 8.3.4 The Board agreed to increase the budget and on the basis of an incremental increase of 1.5% each month to the end of the financial year, but up to 4% month on month if the increases were even higher than forecast.

8.4 Finance review update

- 8.4.1 An initial workshop had been held with Epoch Consulting who were assisting with the review and involving representatives from the Board, the Welfare Committee and the staff team.
- 8.4.2 The workshop had helped to outline the current issues facing ABS, most notably the pressure of high levels of expenditure and large deficits and estimated timelines of when the current managed investments could reduce to zero, leaving behind the property assets only, albeit these made up two thirds of the overall investment assets currently.
- 8.4.3 Options going forward would include revising the asset mix with an adjustment to the level of property assets held. Notwithstanding the asset mix, there would need to be a strong focus on

bringing down the level of direct charitable expenditure and also overheads to affordable levels.

8.4.4 The limits of affordability would be determined to a large extent by the asset mix going forwards and considered expectations/forecasting of the performance of those assets over the medium to long term.

8.4.5 The Board should expect to receive full reports on the matters under review as the work progressed and would need to consider the options in detail before any decisions were made.

8.5 June Board meetings schedule

8.5.1 The trustees agreed that meeting every other year in June away from London would be reintroduced, commencing with the June 2024 meeting to be held in Edinburgh.

8.5.2 For these meetings to be worthwhile, thought would be given as how to make the best use of the time spent in each location, including local and regional engagement and networking.

8.5.3 Rick McCluggage would liaise with the staff team regarding the June 2024 meeting and offered the option of his practice office as a location for the meeting.

RM/
CEO

8.6 Risk Policy

8.6.1 The draft new Risk Policy was annexed at E for information.

8.6.2 This was a work in progress and in particular work on the contents of the risk register continued, there had been a reduction in these and the Working Group would be considering a revised approach to the risk register on the basis of the pyramid principle.

8.7 ABS President

8.7.1 The Board agreed to re-appoint Eddie Weir as ABS President for a further 12 months to June 2024.

9 Report of the Welfare Committee

9.1 The minutes of the meeting held on Tuesday 19 April 2023 were annexed at F

9.2 The meeting had primarily focused on the overspend to budget, as covered under item 8.3 above and there was nothing further to discuss at the Board meeting.

9.3 The other items of note within the minutes included a Wellbeing Programme update; there had been 6 workshops held since January attended by 130 people, with another 12 workshops booked to the end of September. The CPD accreditation process had begun, the Programme had been officially launched during mental health awareness week in May and the marketing video was now on the ABS website.

9.4 Looking ahead, the Committee would be reviewing the status of interest free loans at the next meeting, to be held in either July or August.

10 Report of the Finance, Audit and Risk Committee

10.1 The minutes of the meeting held on Wednesday 3 May 2023 were annexed at G

- 10.2 The investment managers had reported and there remained a focus on the implementation of the new ESG guidelines, the reporting of exposure to 'sin stocks' as well as performance overall.
- 10.3 The Committee had agreed to withdraw cash holdings of c.£240,000 being held in the smaller Cazenove portfolio and to use these to fund expenditure over the remaining months of the financial year.
- 10.4 The Lloyds loan interest rate continued to rise and the Committee was keeping a close watch. If part or full repayment became the best option, consideration would need to be given as to how to fund the payment.
- 10.5 The Committee reviewed the latest management accounts and discussed the welfare budget overspend, as well as the finance review which was now underway with the assistance of Epoch Consulting.
- 10.6 The draft Risk Policy was reviewed by the Committee and the Committee also agreed to recommend the appointment of Moore Kingston Smith as ABS auditors for the financial year ending 30 September 2023.
- 10.7 Board members enquired about progress with lettings at 43 Portland Place, the two vacant floors were not proving easy to let, in part due to the more limited market they attracted, being either much smaller than the other floors or less flexible in terms of how they might be used by potential tenants. Sumita Singha suggested the RIBA might be interested in finding new offices for a period of time in the near future and would put the relevant persons in touch with the CEO.

SS/
CEO

11 Report of the Nominations and Remuneration Committee

- 11.1 The minutes of the meeting held on Wednesday 22 February 2023 and Wednesday 3 May 2023 were annexed at H
- 11.2 The Committee continued to review hybrid working arrangements, in part with an eye on the current office lease which expires in November 2024.
- 11.3 The employee handbook was being revised into a more user-friendly document, giving easier access to relevant policy and procedures at ABS and greater transparency over staff benefits and terms and conditions of employment.
- 11.4 There had been a number of new staff appointments following two retirements and strong candidates had been recruited into the welfare and development teams.
- 11.5 The Committee had overseen the latest trustee recruitment process, culminating in the appointment of Alison Thornton-Sykes earlier in the Board meeting.
- 11.6 There had further been two reviews of the risk register items falling under the committees remit and resulting in a reduction of those items.
- 11.7 Looking ahead and with more retirements coming over the next couple of years, there would be a strong focus on succession planning at upcoming meetings.

12 Report of the Development and Engagement Committee

- 12.1 The minutes of the meeting held on Thursday 27 April 2023 were annexed at J

- 12.2 The Committee had reviewed the new brand standards guide which was well received and discussed the welfare budget overspend.
- 12.3 Richard Beer provided an update on his work to date laying out the four pillars of development going forwards, these being the ambassadors scheme, corporate partnerships, events and fundraising and legacies and ecommerce. Work was ongoing in implementing some short term adjustments to the approaches within the pillars and revising the longer term strategy.
- 12.4 Ant Clerici was to continue working with the team on engaging with universities via the ambassadors and the committee had been pleased to see the progress to date on the wellbeing programme. AC
- 12.5 Of particular note on this occasion was it being the last meeting attended by Lucy Mori and Ant Clerici after many years serving on the committee and the other members expressed their thanks for all of their contributions.

13 Any other business

- 13.1 It was noted to include page numbers on the minutes in future. CEO

14 Dates of future meetings

- 14.1 Wednesday 11 October 2023

15 Retirement of Trustees

- 15.1 Following the meeting, the Chair and other trustees expressed their sincere thanks to Lucy Mori and Ant Clerici who were now retiring.
- 15.2 Lucy Mori
Lucy was appointed as a trustee in October 2013, having responded to an advert in an ABS newsletter seeking trustees with marketing experience; she joined the External Affairs Committee in August 2013 and became Chair of the Committee in April 2018 (stepping down from that role in 2022).
- 15.3 Ant Clerici
Having been helped by ABS earlier in his life, Ant was appointed as a trustee in February 2012 and also regional representative of the West Midlands, prior to this he was for many years the ABS branch representative for Worcester Society of Architects. He joined the External Affairs Committee in January 2016.
- 15.4 Both Lucy and Ant were involved with the Development and Engagement (formerly External Affairs) committee for many years, Lucy for nearly 10 and Ant for over 7 years. They attended all sorts of events during that time offering their support, Lucy for example ran in the chicken run one year and Ant marshalled at the chicken run. Both have advocated for ABS at the RIBA in their respective roles and at various times, Ant as a RIBA Council member and Lucy when employed in a professional capacity offering CPD training to RIBA members for example. Both have been very active on social media on our behalf and both have served on the committee (and as trustees) during a period of real growth in awareness of ABS, a genuine success demonstrated by the numbers of new people seeking our support.

Thank you Lucy and Ant.

Budget for 2023-24

The budget has been through several drafts and reviews, with a view to reducing expenditure as far as possible while working with existing structures and activities. Reductions in expenditure have primarily come from grant giving and also a reduction in office costs commencing during the year October 2024 to September 2025. Overheads have been reviewed and we believe that any further cuts would require a change in the nature and range of help that ABS provides to beneficiaries.

The budget for the year October 2023 to September 2024 is attached below.

Overall, the budget for 2023-24 represents a reduction in the annual deficit of £350,000 (to £853,000) compared to the revised budget for the current year, despite allowing for a 12% uplift in the Minimum Income Standard from October 2023 and a continuing increase in the numbers seeking assistance.

The significant drop in grant giving is on the basis of amendments to the Grant Giving Policy already agreed and with further amendments discussed by the Board at a meeting held on 27 September 2023.

In addition to the changes to grant giving, the key elements to the proposed budget for 2023-24 are as follows, with quoted variances based on the comparison with the revised budget for the current year agreed in June.

Income

Donation income is budgeted to rise by £28,000 in line with the 5 year development plan and legacy income is based on the long term average.

Property income is up by £87,000, largely on the basis of the recent 1st floor letting at 43 Portland Place and investment income is down £44,000 following the recent repayment of the Lloyds loan which meant a fall in the value of the managed investment portfolios of £1.5M

Wellbeing programme income is up by £38,000 on the basis of introducing fee charging for wellbeing workshops and initial sponsorship income.

Expenditure

Grant giving has been reduced by £353,000 for the year.

Staff costs are currently budgeted for an increase of £32,000 on the basis of an assumed 2% cost of living uplift for all staff and increased staff benefits costs, this is subject to further review and approval at a meeting of the Nominations and Remuneration Committee scheduled for Friday 6 October.

Wellbeing programme costs have increased by £61,000 due a full year of workshop delivery and increased numbers of programmed workshops.

Commercial property costs shows a large increase versus the revised budget for the current year however, the revised budget included a rebate of £62,000 on service charge payments for vacant offices in 43 Portland Place, in cost only terms the budget shows an increase of £16,000 on the basis of vacant floors and both agents and legal fees.

Loan interest and bank charges has seen a significant cut of £84,000 following the repayment of the Lloyds loan.

Private and confidential

2023-24 budget

	30-Sep-24 Budget						2023/24 budget vs 2022/23 1.5% reforecast variance						Notes						
	Including Salary split						Including Salary split												
	Welfare	Wellbeing	Development	Property	Investments	Total	Welfare	Wellbeing	Development	Property	Investments	Total	Welfare	Wellbeing	Development	Property	Investments	Total	Notes
Income																			
Donations	-	-	196,600	-	-	196,600	-	-	167,792	-	-	167,792	-	-	28,808	-	-	28,808	Reduced based on Actuals to March 23
Legacies	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	-	-	-	-	-	-	Based on long term average
Commercial rent	-	-	-	684,474	-	684,474	-	-	-	597,530	-	597,530	-	-	-	86,944	-	86,944	Assumed 3 B.4 vacant for 6 months in YE 23-24
Investment income	-	-	-	-	188,463	188,463	-	-	-	-	232,732	232,732	-	-	-	-	(44,269)	(44,269)	Includes repayment of loan from investments
Wellbeing programme income	-	42,820	-	-	-	42,820	-	5,000	-	-	-	5,000	-	37,820	-	-	-	37,820	
	-	42,820	446,600	684,474	188,463	1,362,358	-	5,000	417,792	597,530	232,732	1,253,054	-	37,820	28,808	86,944	(44,269)	109,303	
Expenditure																			
Grants	(1,027,282)	-	-	-	-	(1,027,282)	(1,380,353)	-	-	-	-	(1,380,353)	353,071	-	-	-	-	353,071	Welfare spend includes 12% increase in MIS and 5 new beneficiaries each month, with forecast savings commencing after 6 months (60,935) costs include facilitator fees for workshops
Wellbeing programme	-	(73,074)	-	-	-	(73,074)	-	(12,139)	-	-	-	(12,139)	-	(60,935)	-	-	-	-	
Staff costs	(358,307)	(83,946)	(140,872)	(88,756)	(25,756)	(697,637)	(853,122)	(75,425)	(134,841)	(75,658)	(26,368)	(665,414)	(5,186)	(8,521)	(6,031)	(13,098)	612	(32,223)	Includes assumed 2% uplift
Office costs	(56,656)	(13,367)	(22,431)	(23,273)	(4,101)	(119,828)	(56,041)	(12,191)	(21,795)	(14,979)	(4,262)	(109,269)	(615)	(1,176)	(636)	(8,294)	161	(10,559)	
Insurance	(4,300)	(1,014)	(1,702)	(4,020)	(311)	(11,348)	(3,746)	(815)	(1,457)	(1,368)	(285)	(7,671)	(553)	(199)	(245)	(2,653)	(26)	(3,677)	
Commercial property costs	-	-	-	(70,880)	-	(70,880)	-	-	-	7,194	-	7,194	-	-	-	(78,075)	-	(78,075)	Additional costs due to vacant floors for 6 months.
Governance costs	(3,583)	(845)	(1,419)	(894)	(259)	(7,000)	(1,264)	(275)	(492)	(276)	(96)	(2,402)	(2,319)	(570)	(927)	(618)	(163)	(4,598)	
Marketing costs	(13,175)	(3,108)	(20,031)	(3,286)	(954)	(40,554)	(13,393)	(2,914)	(22,004)	(2,223)	(1,019)	(42,252)	218	(195)	1,974	(364)	65	1,698	
IT costs	(27,572)	(6,505)	(14,854)	(6,878)	(1,996)	(57,804)	(28,518)	(6,204)	(15,491)	(6,223)	(2,169)	(58,604)	946	(301)	637	(655)	173	800	
Professional fees	(20,896)	(4,930)	(12,113)	(7,212)	(1,513)	(46,664)	(15,892)	(3,370)	(15,625)	(3,381)	(1,178)	(39,446)	(5,004)	(1,560)	3,512	(3,832)	(334)	(7,218)	
Investment management fees	-	-	-	-	(63,151)	(63,151)	-	-	-	-	(74,387)	(74,387)	-	-	-	-	11,236	11,236	Includes adjustment for reduction in portfolio due to repayment of the loan
Loan interest & bank charges	(184)	(43)	(73)	(46)	(13)	(360)	-	-	-	(84,479)	-	(84,479)	(184)	(43)	(73)	84,433	(13)	84,119	Loan has been repaid
Property Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on property sale	-	-	-	-	-	-	13,700	-	-	-	-	13,700	(13,700)	-	-	-	-	-	(13,700)
Bad debt write off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VAT expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	(1,511,955)	(186,833)	(213,495)	(205,245)	(98,054)	(2,215,583)	(1,838,629)	(113,333)	(211,705)	(182,091)	(109,764)	(2,455,523)	326,675	(73,501)	(1,790)	(23,154)	11,709	239,940	
Realised loss on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrealised loss on investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrealised gain on assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net profit/(loss)	(1,511,955)	(144,013)	233,105	479,230	90,409	(853,225)	(1,838,629)	(108,333)	206,087	415,439	122,968	(1,202,468)	326,675	(65,681)	27,018	63,791	(32,559)	349,243	

Meeting dates 2024

1 Below is a draft meetings schedule for 2024.

These have yet to be agreed by the relevant committees so are subject to change. They have in many cases been moved from their previous regular slots on a draft basis to try and allow as far as possible financial reporting more closely aligned to quarter ends and also for the budget to be approved before the financial year commences.

	Board	Welfare	Noms & Rem*	Finance, Audit & Risk	Development
<i>January</i>		Wednesday 24		Wednesday 31	Thursday 25
<i>February</i>	Wednesday 14				
<i>March</i>					
<i>April</i>		Wednesday 24			
<i>May</i>				Wednesday 8	Thursday 9
<i>June</i>	Wednesday 5				
<i>July</i>		Wednesday 17			
<i>August</i>					
<i>September</i>	Wednesday 25			Wednesday 11	Thursday 12
<i>October</i>		Wednesday 23			
<i>November</i>					
<i>December</i>					

* meetings currently arranged on a rolling basis

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SOCIETY



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RISK POLICY

October 2023

Risk Policy

Revision Log

Revision number	Revision date	Nature of revision	Approved by	Effective from
1	Oct 2023	Revised assessment and scoring criteria, register update		

RISK POLICY

Risk policy purpose

This policy:

- is a formal acknowledgement that the Board is committed to maintaining a strong risk management framework. The aim is to ensure that the ABS makes every effort to manage risk appropriately by maximising potential opportunities whilst minimising the adverse affects of risks.
- should be used to support the internal control systems and policies of the ABS, enabling the ABS to respond to operational, strategic and financial risks regardless of whether they are internally or externally driven.

Risk policy objectives

Risk in this policy describes the uncertainty surrounding events and their outcomes that may have a significant impact, either enhancing or inhibiting, on any area of our operations. The objectives of the policy are:

- to confirm and communicate our commitment to risk management.
- to establish a consistent framework and protocol for determining appetite for and tolerance of risk and for managing risk.
- to assign accountability to management and staff for risks within their control and provide a structured process for risk to be considered, reported and acted upon throughout the organisation.

All of these are intended to support the achievement of strategic objectives, protect beneficiaries, staff and business assets and ensure business operations and financial sustainability.

Risk policy statement

The Trustees and management of the ABS believe that exposure to risk is an inevitable consequence of working to meet our charitable objectives. Sound risk management is therefore integral to both good management and good governance practice.

Risk management should form an integral part of our decision-making and be incorporated within strategic and operational planning.

Risk assessments will be conducted on all new activities and projects to ensure they are in line with the charity's aims, objectives and values.

Any risks or opportunities arising from current and new activities will be identified, analysed, reported and managed at the appropriate level.

A risk register covering key strategic risks will be maintained, reviewed and updated on a regular basis by the Finance, Audit and Risk Committee and reviewed no less than annually by the Board and more frequently where risks are known to be volatile.

Operational risks will be monitored by the relevant committees and managed by the staff team member with responsibility for those activities.

The ABS will regularly review and monitor the effectiveness of the risk management framework and update it as considered appropriate.

Risk policy key documents

- Roles and responsibilities are detailed at appendix A
- Risk assessment and scoring criteria are detailed at appendix B
- Strategic risk register is detailed at appendix C
- Operational risk register is detailed at appendix D

APPENDIX A

Roles and Responsibilities

The role of the trustee board

- Understand risks inherent in the business model and strategic plans
- Ensure that resourcing and reserves fit the model and plans
- To ensure that a culture of risk management is embedded throughout the ABS
- To set the level of risk appetite and risk tolerance for the organisation as a whole and in specific circumstances
- To communicate the Society's approach to risk and set standards of conduct expected of staff
- To approve major decisions affecting the charity's risk profile or exposure
- To satisfy itself that less fundamental risks are being actively managed and controlled

The role of the Finance, Audit and Risk Committee

- Oversee the risk management process
- To regularly review the approach to risk management and recommend any changes
- To receive reports from the other committees, management and any other relevant parties and to make recommendations on these
- To ensure risk management is included in the development of business plans, budgets and when considering strategic decisions
- Consider how the Board can obtain assurance that risks are being managed effectively

The role of the other committees

- To ensure the activities they are responsible for overseeing are carried out with due consideration of risk management

The role of the CEO and the management team

- To ensure that risk management policy is implemented throughout the organisation
- Help identify strategic risks and mitigating actions
- Lead mitigating actions
- To anticipate and consider emerging risks and to keep under review the assessed level of likelihood and impact of strategic risks
- Provide regular and timely information to the trustees on the status of risks and their mitigation
- Ensure that appropriate management of operational risk is in place

Appendix B

Risk assessment and scoring criteria (likelihood and impact)

Risk heat map

Extreme/Catastrophic	5	5	10	15	20	25
Major	4	4	8	12	16	20
Moderate	3	3	6	9	12	15
Minor	2	2	4	6	8	10
Insignificant	1	1	2	3	4	5
		1	2	3	4	5
		Remote	Unlikely	Possible	Probable	Highly probable
		Likelihood				

Likelihood and impact definitions

Likelihood	Certainty	Number of instances	Time period
Highly probable / Very high (5)	Almost certain	1/10	Once in 3 months
Probable / High (4)	More likely than not	1/100	Once in a year
Possible / Medium (3)	Fairly likely	1/1,000	Once in 5 years
Unlikely / Low (2)	Unlikely	1/10,000	Once in 10 years
Remote / Very low (1)	Extremely unlikely	<1/10,000	Not in 50 years

Level of impact	Strategic	Operational	Financial	Reputational	Compliance
Very High	Would require a fundamental change in organisational strategic/ critical objectives.	Fundamental organisational changes would need to be implemented. Delay of 1 year + in delivery of proposal.	If the risk materialised the cost to the charity would be greater than £1M.	Significant and irreparable damage to reputation. Sustained negative publicity resulting in loss of public/ professional/ political confidence in the charity.	Serious breach of governance regulations that would lead to status of the charity being reviewed.
High	Would require a significant shift from organisational strategy/critical objectives that would require Board input.	A significant amount of work would need to be done at all levels to resolve the matter. Delay of 6-12 months delivery on the proposal.	If the risk materialised the cost to the charity would be between £500k and £1M.	Significant and irreparable damage to reputation. High negative impact on the charity's reputation. Could impact on charity's ability to influence public/ professionals/politicians. Generates significant numbers of complaints.	Significant breach of governance regulation requiring immediate notification of regulatory bodies.
Medium	Would impact on the organisational strategic/ critical objectives and would require management discussion.	A significant amount of work would be required by a team to repair operational systems. Delay of 3-6 months in delivery of proposal.	If the risk materialised the cost to the charity would be between £250k and £500k.	Minor damage but widespread. Significant localised low level negative impact on the charity's reputation/ generates limited complaints.	Breaches governance regulations and would require significant work to rectify.
Low	May have an impact on achieving organisational strategy but this could be resolved.	Low level processes would need to be revised but the matter could be resolved. Delay of 1-3 months in the delivery of proposal.	If the risk materialised the cost to the charity would be between £50k and £250k.	Minor damage in a limited area. May have localised, low level negative impact on the charity's reputation/ generates low level of complaints.	May breach low level governance regulations but can be rectified.
Very Low	Little impact on the organisational strategy.	Has no impact on the day to day operation of the charity. Less than 1 months delay in delivery of proposal	If the risk materialised the cost to the charity would be no more than £50k.	Has no negative impact on the charity's reputation/no media interest.	No impact on the charity's governance structures.

Appendix C

Strategic Risk Register

	Risk factor	Potential impact	Probability	Impact	Score	Control	Retained risk	Responsibility	Monitoring body	Review frequency	Further action/notes
S1	Conflicts of interest	Decisions influenced by factors other than interest of the ABS, impact on reputation	2	3	6	Conflict of interest policy & register, trustee training (new and existing)	Low	Chair	Board	Annual	
S2	Activities (planned or existing) breach Articles	Breach of charitable objectives, Charity Commission investigation and penalties	1	3	3	Regular review of Articles. All changes made by Board only after advice from ABS solicitors. New projects and activities to be assessed by management team.	Low	Chair	Board	On-going	Any new projects to be reviewed by ABS solicitors where necessary and approved by Board
S3	Objects not understood by supporters	Impact on voluntary income, use of services by beneficiaries	2	4	8	Quinquennial survey of sample of profession and analysis	Medium	CEO	Board	3 years	
S4	Poor strategic planning and / or inadequate setting and monitoring of implementation targets	Issues addressed piecemeal with no strategic reference	3	4	12	Incoming business planning to address this	Medium	Chair	Board	Annual	Establish strategic plan with key aims, objectives and policies and set targets
S5	Society's activities or assets threatened by group of trustees	Decisions made outside Board, culture of secrecy, pursuit of personal agendas, conflicts of interest	1	5	5	Monitoring of selection and performance of trustees (see above), delegation procedures, conduct of meetings and minuting procedures. Restriction of non-trustee membership	Low	Chair	Board	Annual	
S6	IT, systems and data	Systems fail to meet needs, failure to innovate or update, loss or corruption of data, lack of technical support	2	4	8	IT security policy, appraisal and review of system needs and options, data security and recovery, insurance, use of external services and support	Medium	CEO	Board	On-going	
S7	Change in political climate, charity law, taxation or Government policy	Impact of tax regime on voluntary income, impact of general legislation, role of voluntary sector, Brexit	3	3	9	Advice from solicitors and accountants, membership of Association of Charitable Organisations Service	Medium	CEO	Board	Annual	
S8	Breach of statutory requirements, Charity law, Companies Act, GDPR, Equality Act, employment law, Health & Safety laws etc.	Fines, penalties, censure, employee or supporter action, reputation	2	3	6	Identify key requirements with assistance from lawyers, accountants and retained HR consultant. allocate responsibility, monitor and report	Low	CEO	Board	Annual	GDPR Policy/training on-going
S9	Inadequate Risk Policy and Risk Management	Risks unidentified, unmanaged and thus more likely	2	4	8	Risk Management Policy	Medium		Board	Annual	

Appendix D

Operational risk registers/frameworks

Welfare

	Risk factor	Potential impact	Probability	Impact	Score	Control	Retained risk	Responsibility	Monitoring body	Review frequency	Further action/notes
W1	Needs of beneficiaries not fully addressed	Beneficiary complaints, ABS reputation	1	5	5	Continuous review of Grant Giving Policy, regular internal audit	Low	Chair	Welfare	Annual	Impact reporting required
W2	Incorrect or inadequate advice given to beneficiaries	Beneficiary complaints, ABS reputation	2	3	6	No financial advice given. Regular training of Welfare Officers in advising about state benefits. Welfare notes seen by CEO. Beneficiary reviews seen by Welfare Committee	Low	CEO	Welfare	2 years	
W3	Contract risk	Onerous terms, liabilities for non-performance, non-compliance with objects	3	4	12	Appraisal and authorisation procedures, professional advice, monitoring, insurance cover	Medium	CEO	Board	Annual	
W4	Weak Adult safeguarding policies and procedures	Failure to report incidents	1	4	4	Safeguarding Adults Policy and regular staff training	Low	Ops Mgr	Welfare	Annual	
W5	Demographic and social changes. Market changes / drop in professions	Impact of demographics of donors or beneficiaries. Redundancies – increased number of beneficiaries. Fewer donations / lower income	3	4	12	Monitor statistics from government and other bodies (RIBA/ARB/CIAT/U). Profile donor base	Medium	Ops Mgr	Welfare	Annual	
W6	Welfare partner failure	One of our charity partners had to cease activity (eg AUK) meaning our holistic support services would be reduced	2	4	8	Annual contract review and renewals, awareness of alternative service providers	Medium	Ops Mgr	Welfare		

Nominations and Remuneration

	Risk factor	Potential impact	Probability	Impact	Score	Control	Retained risk	Responsibility	Monitoring body	Review frequency
N1	Board effectiveness - inactive or unsatisfactory trustees or skills insufficient or inappropriate	Charity become moribund, fails to achieve its purpose. Poor decision making and/or decisions made by-passing the Board. Resentment or	2	4	8	Board matrix annually reviewed, including no. of trustees. Board/trustee training and development	Low	Chair	N&R	Annual
N2	Key staff performance unsatisfactory or poor relationship between trustees and senior staff	Board not kept abreast of activity	2	4	8	Formal and recorded assessment of senior staff performance	Medium	Chair	N&R	Annual
N3	Inadequate succession planning for senior staff	Experience and skills lost, impact on projects, loss of Society knowledge	2	4	8	Annual succession plan review, Committee interest review, notice periods and handovers, documentation of systems and projects	Medium	Chair	N&R	Annual
N4	High staff turnover	Loss of experience and skills, recruitment and training costs and lead times, operational impact on service delivery	1	5	5	Annual review of pay and benefits/Remuneration Policy, training, working conditions and job satisfaction. Performance appraisal. Exit interviews	Low	CEO	N&R	Annual
N5	Inadequate recruitment procedures		1	3	3	Procurement, interview and selection procedures reviewed at each recruitment with advice from retained human resources consultant. ACAS training senior staff	Low	CEO	N&R	On-going
N6	Poor organisation structure, communication channels poorly designed		1	3	3	Small organisation with simple reporting structure	Low	CEO	N&R	Annual
N7	Low staff morale or staff stressed	Poor service to beneficiaries and donors	2	4	8	Management/HR training, annual appraisals	Medium	CEO	N&R	Annual
N8	Inadequate disciplinary and grievance procedures	Disgruntled staff	1	3	3	Procedures in place and periodically reviewed. Retained HR consultant advice, ACAS templates used in staff handbook	Low	CEO	N&R	Annual
N9	Failure to keep up to date and comply with employment legislation including equal opportunities		2	4	8	Retained HR consultant, ACAS training senior staff	Medium	Ops Mgr	N&R	On-going
N10	Failure to comply with Health and Safety at Work legislation	Accidents at work	3	4	12	Professional health and safety risk assessments carried out	Medium	Ops Mgr	N&R	Annual

Finance, Audit and Risk

	Risk factor	Potential impact	Probability	Impact	Score	Control	Retained risk	Responsibility	Monitoring body	Review frequency
F1	Trustees benefitting from ABS	Regulatory action, ABS reputation, loss of charity money	1	5	5	Appropriate procedures to authorise trustee expenses, the Society's Articles prohibit trustees benefitting from ABS.	Low	Chair	Board	Annual
F2	Contract risk	Onerous terms, liabilities for non-performance, non-compliance with objects	3	4	12	Appraisal and authorisation procedures, professional advice, monitoring, insurance cover	Medium	CEO	Board	Annual
F3	Inadequate disaster recovery and business continuity plan	Systems failures or destruction of property	2	5	10	Covered in information security policy	Medium	CEO	Board	Annual
F4	Internal fraud	Financial loss, reputational risk, regulatory action	2	4	8	Anti-fraud policy. Financial controls, segregation of duties, authorisation limits, security of assets, insurance	Medium	Hon Treasurer	Board	Annual
F5	Failure of key suppliers of goods or services, dependence on key supplier	Lack of goods/services to meet objectives, non-competitive pricing	1	4	4	Only reputable suppliers used. Suppliers to be market tested regularly.	Low	CEO	FAR	On-going
F6	Borrowing	Interest rate movements, ability to repay, security over assets, regulatory requirements.	1	4	4	Appraisal of terms and of future income. Proper advice procedures	Low	Hon Treasurer	FAR	On-going
F7	Lack of appropriate investment policy	Financial loss, liquidity problems, inability to meet operational objectives	1	5	5	Investment Policy	Low	Hon Treasurer	FAR	Annual
F8	Discretionary powers given to investment managers too loose or too tight or do not match the Society's objectives	Financial loss etc as above	1	5	5	Investment Policy	Low	Hon Treasurer	FAR	Annual
F9	Inadequate monitoring of investment manager performance and fees	Financial loss etc as above	1	5	5	Quarterly reports vs benchmark, specialist advisor on F+P Committee, manager reviews every 3 years	Low	Hon Treasurer	FAR	3 years
F10	Lack of diversification in investments and / or planning for stock market turbulence or decline, over-reliance on	Potentially severe financial loss, liquidity problems, inability to meet objectives	1	5	5	Investment Policy Statement, regular reporting	Low	Hon Treasurer	FAR	Annual
F11	Inadequate financial planning, forecasting and supervision by trustees	Financial management difficulties, funding does not match key objectives	3	5	15	Budget setting, management accounts. Monitoring of financial performance, budgets linked to objectives. GrantyGiving Policy	Medium	Hon Treasurer	FAR	Annual
F12	Inadequate financial controls and procedures	Poor cash flow / treasury management/fraud	3	4	12	Financial Management Policy and procedures manual	Medium	CFO	FAR	Annual
F13	Failure to safeguard assets	Theft or other loss or damage	1	4	4	Asset register kept and physically checked annually. Property assets under control of and regularly checked by staff team. Insurance reviewed annually. Location of legal title and associated documentation known.	Low	Management Team	FAR	Annual
F14	Inadequate reserves policy	Lack of liquidity, inability to meet commitments or objectives, reputational risks	2	5	10	Reserves policy review linked to strategic plan, risk policy and regularly reviewed. Investment Policy Statement	Low	Hon Treasurer	FAR	Annual
F15	Failure to review tax and VAT liabilities	Penalties, interest and back duty. Loss of income (gift aid, tax exemptions, rates relief)	2	4	8	Annual review by auditors, employ management accounting consultant, PAYE and VAT compliance and reporting, understanding of exemptions and reliefs, professional advice	Medium	Hon Treasurer/CFO	FAR	Annual

Development and Engagement

	Risk factor	Potential impact	Probability	Impact	Score	Control	Retained risk	Responsibility	Monitoring body	Review frequency	Further action/notes
D1	Weak fundraising plans	Decline in voluntary income	2	3	6	Professional fundraisers employed. Plans vetted by Committee. Comparisons made with other charities. Specialist advice and	Low	D&E Chair	D&E	Annual	Strategic fundraising plan adopted
D2	Inadequate control of fundraising activities and costs	Unsatisfactory returns, reputational risks from methods used, compliance with law and regulation	3	4	12	Quarterly budget and spend reviews. Appraisal, budget and authorisation control, review of regulatory compliance, complaints procedure	Medium	D&E Chair	D&E	Annual	Reporting improvements required
D3	Inadequate arrangements for joint ventures or sponsorships		2	4	8	Prior approval for joint ventures. Contractual arrangements in the form of exchange of letters to comply with Charity Commission requirements	Medium	Dev Mgr	D&E	On-going	
D4	Failure to meet fundraising targets	Reduced voluntary income	3	4	12	Fundraising strategy, regular review	Medium	Dev Mgr	D&E	On-going	Reporting improvements required
D5	Adverse publicity	Loss of donor confidence and funding, loss of beneficiary confidence, impact on staff moral	1	5	5	Complaints procedures for supporters and beneficiaries, proper annual review of complaints, crisis management plan, monitoring	Low	Dev Mgr	D&E	Annual	
D6	Poor relationship with professional bodies	Limits reach to those we can assist and to donors and other supporters	3	3	9	Active engagement with membership bodies by ABS representatives	Medium	D&E Chair	D&E	2 years	

Committee membership for 2023-24

1 Proposed membership lists for committees are set out below. Note that members of committees marked * are non-trustees

2 **Welfare Committee**

Richard Brindley (Chair)
Andy McLeish
Benna Schellhorn*
Sumita Singha
Alison Wyman* 5 members

3 **Nominations and Remuneration Committee**

Karen Rogers (Chair)
Mark Grzegorzcyk
Kate Marks*
Sangeeta Shenoy 4 members

4 **Finance, Audit and Risk Committee**

Nigel Thorne (Chair)
John Moakes
Simon Still* 3 members

5 **Development and Engagement Committee**

Aled Rees (Chair)
Katie Fisher*
Rick McCluggage
Karen Rogers 4 members

Routine approvals

1 Since the last meeting in June 2023, the Board resolved to:

1.1 Lloyds Bank loan

repay the Lloyds Bank loan totalling £1.49M in full, repayment to be made by withdrawing the monies equally from the two main investment portfolios held by Cazenove and Investec.

Approved in July 2023 and loan repaid on 21 August 2023

1.2 Third floor letting 43 Portland Place W1

authorise any member of the Board of Trustees and Robert Ball to execute and enter into on behalf of the Society the Lease Agreement and such other deeds or instruments necessary or desirable to give effect to the proposed letting of the third Floor at 43 Portland Place, London W1B 1QH for the principal rent of £115,500 per annum and for a term up to and including 31 August 2023.

and

authorise pursuant to Section 44 of the Companies Act 2006 that any member of the Board of Trustees and Robert Ball have the power to execute in the name of and on behalf of the Society all deeds or other instruments for giving effect to the above letting.

Approved on 28 July 2023

1.3 First floor letting 43 Portland Place W1

authorise any member of the Board of Trustees and Robert Ball to execute and enter into on behalf of the Society the Lease Agreement and such other deeds or instruments necessary or desirable to give effect to the proposed letting of the First Floor at 43 Portland Place, London W1B 1QH for the principal rent of £105,400 per annum and for a term of five years with a tenant only break at three years.

and

authorise pursuant to Section 44 of the Companies Act 2006 that any member of the Board of Trustees and Robert Ball have the power to execute in the name of and on behalf of the Society all deeds or other instruments for giving effect to the above letting.

Approved on 13 September 2023 and lease commenced on 15 September 2023

- 2 The Board is recommended to approve the following:
 - 2.1 Land Registry form DS1 cancelling an entry relating to the registered charge on a property in Fownhope, Hereford HR1 in respect of a secured loan of £18,000 made to a beneficiary and which has now been repaid. Signed by Nigel Thorne and Richard Brindley on 10 August 2023

ARCHITECTS BENEVOLENT SOCIETY

Welfare Committee

Minutes of the meeting held on Wednesday 9th August 2023 (hybrid meeting).

Present: Richard Brindley *Welfare Committee Chair*
Benna Schellhorn
Sumita Singha
Andy McLeish
Alison Thornton-Sykes
Mark Grzegorzczak *ABS Chair*

In attendance: Katie Vivian, Operations Manager
Helen Stanley, Welfare Lead
Robert Ball, Chief Executive

1 Apologies for absence

Alison Wyman, Deirdre Anthony

2 Declaration of interest

None

3 Minutes of the last meeting

- 3.1 The minutes of the meeting held on Wednesday 26th April 2023 were approved and signed by the Chair.

4 Matters arising from the minutes

- 4.1 An update on Interest Free Loans will be given at the next meeting. The team have been focusing on the Grant Giving Policy Review as it impacts the budget. Katie and Sarah have a meeting booked in for the end of August to work on IFLs.

5 Welfare Team Update

- 5.1 Katie Vivian reported that Ruth Dawson has passed her probation and is doing well. Helen is providing case supervision for Ruth and Deirdre in her new role as Welfare Lead, and the team is working well together and responding effectively to beneficiary needs.

6 Welfare Quarter 3 Report

- 6.1 The Quarter 3 Report is attached.

7 June Management Accounts

- 7.1 The management accounts showed the revised welfare budget as being 2% underspent as at end of June 2023.
- 7.2 Katie Vivian verbally reported that as at the end of July 2023, the welfare budget was 3% underspent. This suggests that welfare spend should be within the revised 2022-23 budget if the current trend continues.

8 Grant Giving Policy Review and draft welfare budget

- 8.1 A paper detailing proposed changes to the Grant Giving Policy, in response to financial constraints, was discussed by the Committee. Case examples were presented to demonstrate the impact on existing beneficiaries of some of the proposed changes.
- 8.2 The proposed changes to take effect from 1st October 2023 are:
- Reducing savings and asset thresholds in terms of eligibility for financial support.
 - Reduce MIS level from 100% to 90% for those with a long-term health condition or disability.
 - Reduce the maximum grant term for regular financial support to 6 months (with option for 3-month extension) from the current 2 year maximum. This does not apply to those who require long term support where there is no opportunity to increase household income.
 - Introducing a limit of 8 Anxiety UK therapy sessions (+2 where needed) funded by ABS.
- 8.3 The Committee raised questions about the impact on beneficiaries. They were reassured that the financial support ABS could still give with the changes in place will be sufficient to make a meaningful difference and is fair.
- 8.4 The Welfare Committee approved the proposed changes. It was agreed that these changes should go to the Board for approval as soon as possible so that operational adjustments can be made in time for the start of the new financial year.
- 8.5 It was discussed that a formal communication would need to be sent to all existing beneficiaries to inform them of the changes. Ideally this should come from the Welfare Committee rather than the Welfare Team.
- 8.6 Mark asked for an amendment to the paper for the Board which states that further changes may need to be proposed once the overall budget is taken into context. He would like to see the budget for 2024-25 before approving the budget for 2023-24. This will be available week commencing 14th August.
- 8.7 It was suggested that a Board meeting may need to be convened before the end of September in order to approve the budget before the start of the financial year, rather than in the October Board meeting.

9 Household Income Assessment

- 9.1 Helen Stanley presented a paper on the assessment of joint and separate household income, following queries from Committee members about how some cases financial situations were assessed by the Welfare Team. In some cases, one person in a couple is treated as a single person if they do not have access to their partner's income.
- 9.2 The paper highlighted that relationships between couples have changed in recent times, and we could no longer assume that each person in a couple has equal access to income. This assumption could be deemed exclusionary/discriminatory.

- 9.3 The process of assessment of a couple's income was explained and includes gathering information on any legal or financially binding arrangements, informal financial arrangements and parental responsibility between the couple, and whether the beneficiary has access to their partner's income. The assessment is thorough to ensure there is a full understanding of the financial situation.
- 9.4 The Committee was satisfied that this assessment process is sound and agreed to a framework being included in the Grant Giving Policy.

10 Wellbeing Programme Update

- 10.1 Anne Cosentino gave an update on the achievements of the Wellbeing Programme since March 2023.
- A promotional video which was produced for the launch of the programme in May was played for the Committee, and is available on the ABS website <https://www.absnet.org.uk/get-help/wellbeing-programme/>
 - One module has gained CPD accreditation (*since the meeting, a second module has also been CPD accredited*). There are two further modules to be assessed and it is planned to have the whole programme accredited by the end of September 2023. This accreditation will enable us to charge for the workshops and to seek sponsorship for the programme.
 - A subsidised fee structure based on practice size has been put in place for future bookings so that the programme starts to generate income.
 - Workshop Delivery: Jan – August 11 workshops delivered
Sept – December 12 workshops booked in
261 people have attended this year to date.
- 10.2 Future developments for the programme include:
- offering a subsidised Mental Health First Aider course to enable smaller practices to have a member of staff trained. This will generate a small income for ABS.
 - an online individual CPD course of training modules that people can complete in their own time. This will be charged per head.
 - Sponsorship package so suppliers to the built environment industry can be approached for sponsorship.
- 10.3 The Committee agreed that this was a positive development for ABS. Mark and Richard both queried the income generated by the programme. This is already in progress with the fee structure for practices, and the sponsorship package is being worked on. Once the whole programme has CPD accreditation, this will be more attractive for potential sponsors.
- 10.4 Mark enquired about whether the business plan for the Wellbeing Programme has been completed, as agreed with the Board. Katie confirmed that the business plan has been completed for 2023-24 and 2024-25 and included in the draft budget.

11 Financial support beyond 2 years – record of decisions

- 11.1 A record of approval for beneficiaries requiring more than two years regular financial support which was given by the Welfare Committee in quarter 3 was appended to the papers for recording/audit purposes.

12 Confirmation of Committee membership

- 12.1 As some members of the Committee had to leave before the end of the meeting, it was agreed that Katie would email all Committee members to confirm their intention to remain on the Committee for the following year.

13 AOB

- 13.1 None.

ACTIONS AGREED

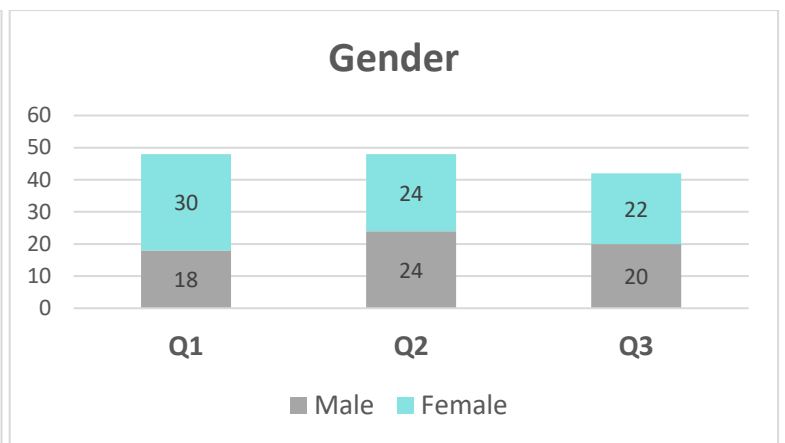
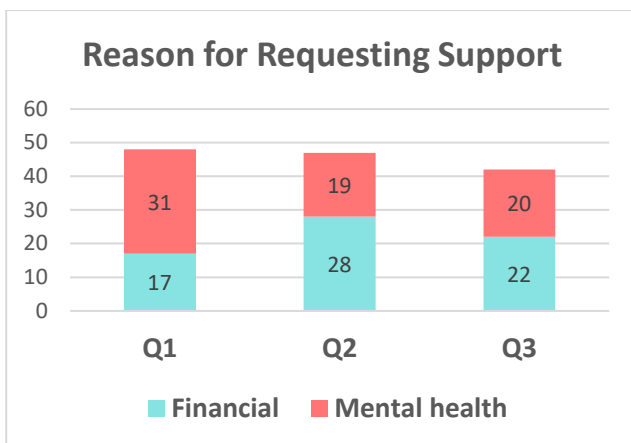
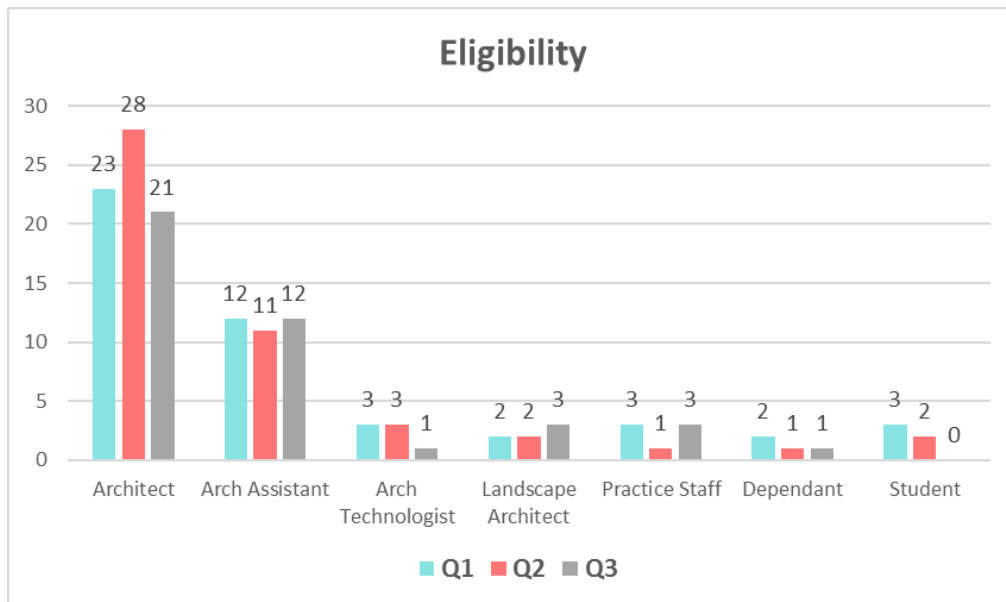
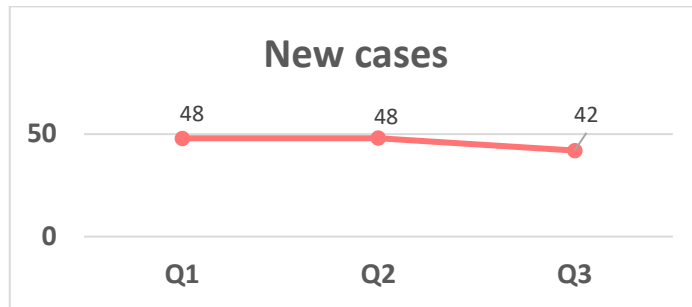
Agenda item	Action	Tasked to
4.1	Update on IFLS to be provided for the Committee at the next meeting.	KV/SG
8.6	GGP paper to be amended before sending to the Board for approval.	KV
9.4	GGP to be updated to include framework for assessing income for couples.	KV
12.1	Email to be sent to all Committee members to confirm their intention to remain on the Committee for 2023-24.	KV

Architects Benevolent Society

Welfare Committee Quarterly Report April - June (Q3)

1. New cases

42 new cases for beneficiaries requiring support were opened in this quarter. 48% of requests were for mental health support this quarter, and 52% were for financial support. Although there was an 8% increase in requests for mental health support compared to the previous quarter, requests for financial help are still higher this quarter.

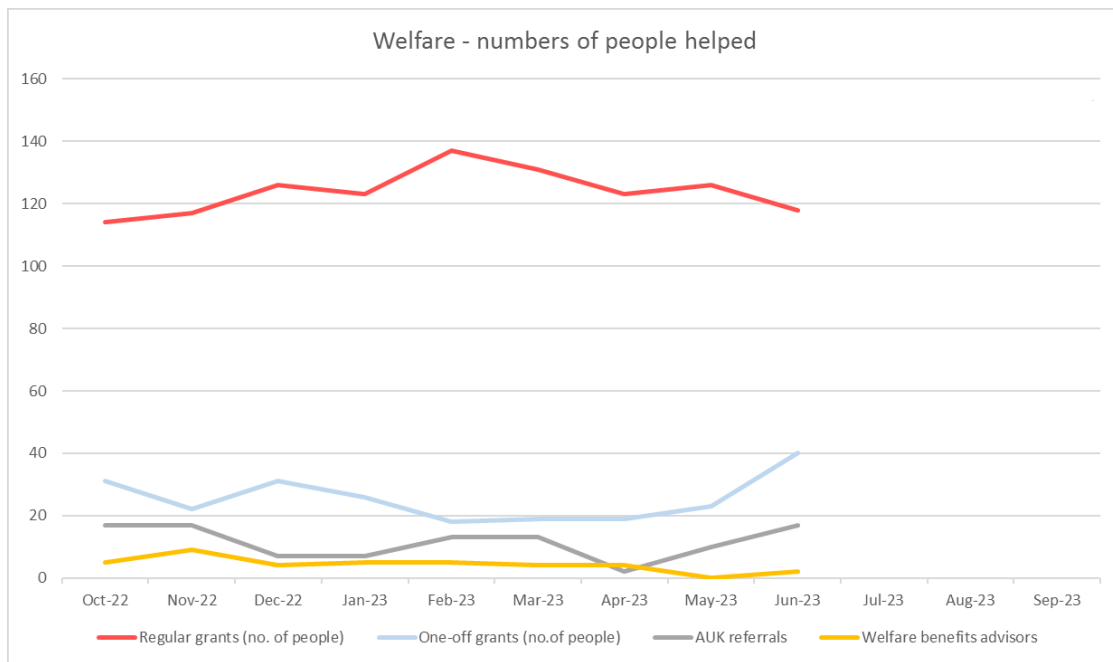


2. Monthly grants

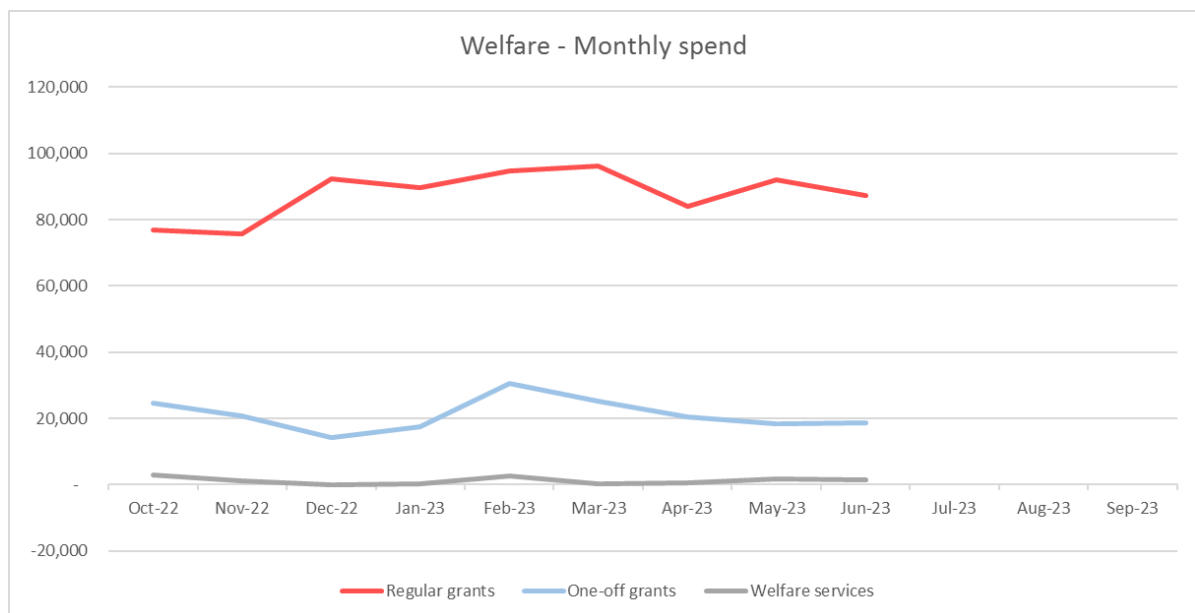
This quarter, the average monthly spend on regular grants was £87,739, with the average housing expenses grant being £278 per beneficiary (98 beneficiaries) and the average living expenses grant being £464 per beneficiary (132 beneficiaries).

The charts below show the number of beneficiaries helped each month and the monthly spend from October 2022 until end of June 2023.

2.1 Number of people helped.



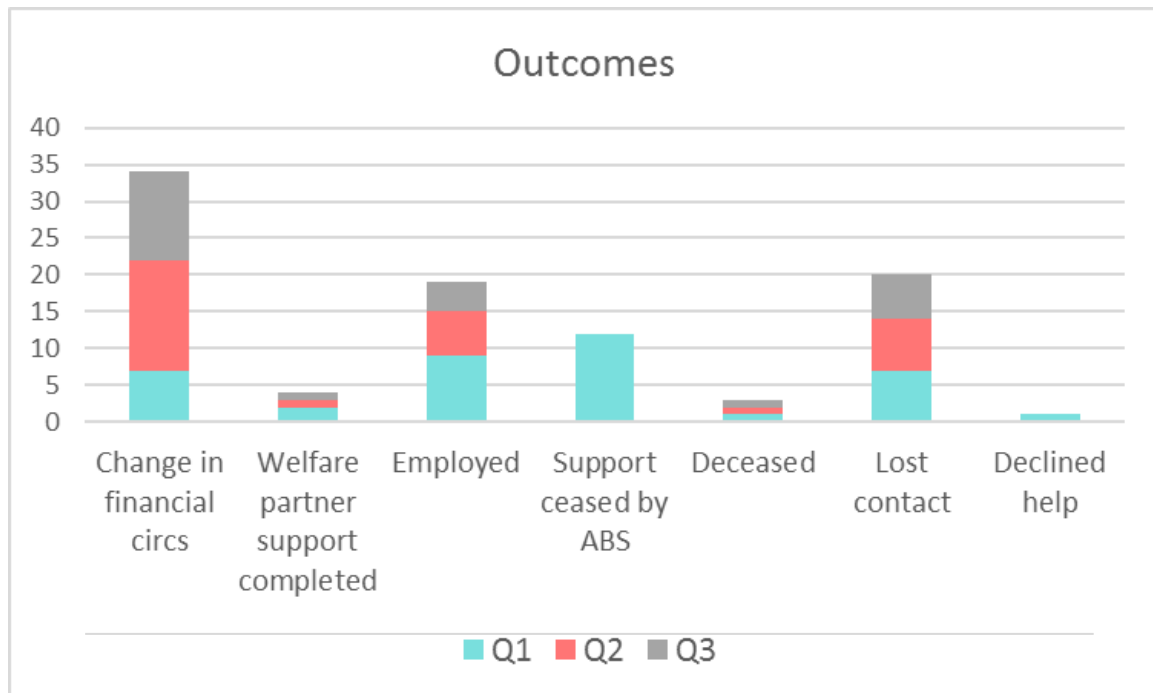
2.2 Monthly spend.



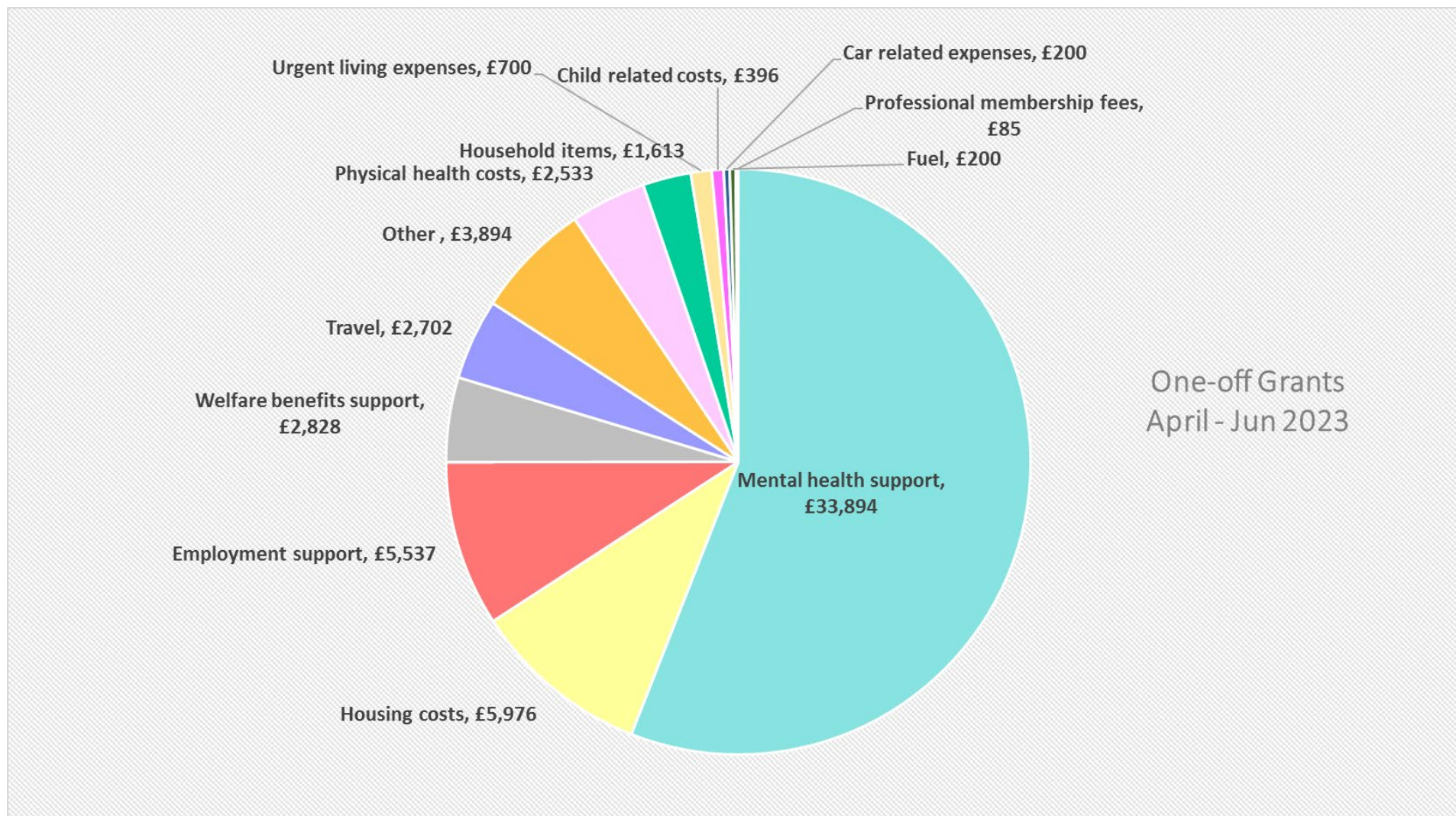
3. Outcomes

24 cases were closed this quarter. In 67% of these cases, beneficiaries no longer need our help as they can manage financially due to a positive change in circumstances, including finding employment. Lost contact includes those who did not reply to requests for updates for reviews. It could be assumed in some cases that their situations have improved, and they no longer need our help.

During the year, the majority of cases have been closed due to an improvement in circumstances, demonstrating a positive impact from the support provided by ABS.



4. Breakdown of spend on different categories of one-off grants (total spend £60,558)



5. Partnership referrals

Partnership Referrals	Q1	Q2	Q3	Q4	Notes
Anxiety UK	41	33	29		
Renovo	2	8	9		
Shelter	2	6	4		
Law Express	7	3	12		Employment, family, education, property
Welfare Benefits Support	5	6	2		

6. Case Studies

The following links are to beneficiary stories, which have been added to the ABS website in the last quarter.

<https://www.absnet.org.uk/story/billies-story/>

<https://www.absnet.org.uk/story/marc-cairns-and-new-practice-how-abs-supported-the-team-following-bereavement/>

<https://www.absnet.org.uk/story/naomis-story-how-abs-financial-support-helped-through-redundancy-as-a-result-of-the-pandemic/>

ARCHITECTS BENEVOLENT SOCIETY

Development and Engagement Committee

Meeting held via Zoom on Thursday 17th August at 14:00 – 15:30

Present Aled Rees (Chair)
 Katie Fisher
 Karen Rogers
 Rick McCluggage

In attendance Richard Beer (Development Manager)
 Katie Vivian (Operations Manager)

AGENDA

Action

1. Apologies for absence

1.1 Mark Grzegorzcyk, Robert Ball.

2 Declaration of interest

2.1 There were none.

3 Minutes of the last meeting

3.1 The minutes of the meeting held on Thursday 17th April were approved as a correct record and signed by the Chair.

4 Matters arising

4.1 Aled suggested that meeting should be no longer than an hour going forward, this was agreed.
Aled welcomed Katie fisher as a non-trustee member to the committee.

5 Communication and information sharing

5.1 Richard presented an outline for a process of reporting and updating the committee going forward. This would include 1 page monthly activity updates, quarterly reports, and full financial reports for each meeting. An agreed main topic of discussion will also be the focus of each meeting.

RBeer

5.2 This suggestion was agreed as a work in progress going forward by all in the Committee.

5.3 It was agreed that any queries from Committee members regarding reporting would be collated by the Chair, Aled, and forwarded to Richard Beer.

AR

6 ABS Organogram

- 6.1 Katie presented the ABS Committees and Board organogram showing lines of reporting for the to the Committees, along with support structure.
- 6.2 Rick asked that Katie provides a more detailed version to include the Trustees which sit on each of the committees. *KV*

7 Fundraising and management accounts

- 7.1 Richard presented a summary account of the income year to date until June23.
Income YTD - £ 108,416 This is a deficit of £53,584 on the 22/23 voluntary income target.
- 7.2 Aled asked that the full accounts be shared with the committee and for future meetings with some explanatory notes. *RBeer*

8 Development Strategy

- 8.1 Richard presented an update on the development Strategy to the Committee, including 5-year voluntary income forecast showing growth in income each year, and a breakdown of activities in the four core areas of the strategy for 2023-24.

9 Year to date Ambassadors Report

- 9.1 A comprehensive report providing an overview of Ambassador activity in 2022-23 was provided to the Committee. The report includes updates on fundraising activities, including Ambassador organised events and participation in ABS events; awareness raising activity, further connections and networks resulting from Ambassadors, and recruitment and retention, as well as future plans for the programme, with a focus on generating voluntary income.
- 9.2 Committee members agreed to feedback any comments on the report to Aled, who can pass these on to Richard for review and response. *Committee*

10. Staff Matrix and staff proposal

- 10.1 Katie presented the current staff team structure at ABS, and introduced the proposal for changes to this, which are essential to achieving the voluntary income targets outlined in the Development Strategy.
- 10.2 Richard presented the case for amending the roles within the Development Team, following the Fundraising and Communications Assistant post being made redundant (the postholder's 12 month contract ended in August 2023). The roles will be more focused than they currently are.
- 10.3 The amended roles represent a saving for the Development Team staff salary budget as it. However, the promotion of events and increased fundraising will have a knock-on effect on marketing and communications activity. Therefore, a part-time Marketing and Communications Assistant role was also proposed, meaning a slight increase in spend compared to the previous Fundraising and Comms Assistant role.



10.4 The Committee asked for further information about the proposed changes before making a decision, and there was discussion about who should approve this change as there are budgetary implications, and so would need to be approved by the Nominations and Remunerations Committee.

RBeer

10.5 Aled suggested that there should be more joint working of Committees in situations like this, and this was agreed by all as this would make the decision-making process more efficient.

11 AOB

11.1 The Committee will meet again informally next week to review staff change proposal.

12 Future dates for 2023

12.1 TBC

ARCHITECTS BENEVOLENT SOCIETY

Finance, Audit and Risk Committee

Minutes of the meeting held on Wednesday 6 September 2023 at 6 Brewery Square, London SE1 2LF and on Zoom at 10.00am

Present: Nigel Thorne (Chair)
Tony Cartmell
John Moakes
Simon Still - on zoom

In attendance: Mark Grzegorzcyk
Sarah Gartshore (Chief Financial Officer)
Robert Ball (Chief Executive)

Actions

1. Apologies for absence

None

2. Declaration of interest

There were none.

3. Minutes of the last meeting

The minutes of the meeting held on Wednesday 3 May 2023 were approved as a correct record and signed by the Chair.

4. Matters Arising

4.1 There were none.

5. Finance

5.1 Cazenove investment portfolio and ESG

5.1.1 Robert Inglis of Cazenove was welcomed to the meeting.

5.1.2 Following the recent implementation of the revised Investment Policy, including the new ESG requirements and guidelines, Cazenove had proposed a portfolio structure including a significant proportion of holdings within a Schroder collective fund aimed at sustainability. The original proposal had placed the level of holdings within the Schroder fund at over 60% of the overall portfolio, although this had been revised to 33%. This would be in breach of the Investment Policy which states that no single collective fund should represent more than 10% of the value of the portfolio.

5.1.3 The Committee were uncomfortable with this approach at the current time and it was agreed that because Cazenove were anyway entitled to invest up to 10% in any one collective fund, it was perfectly acceptable for them to invest in the Schroder fund to that extent if they thought it suitable. If this was seen to be a successful investment, any potential increase in exposure might be a matter for discussion with the Committee at an appropriate juncture in the future.

5.1.4 In order to be better informed, the Committee asked to be provided with full details of the holdings within the Schroder fund.

CEO

5.2 Cazenove investment reports

5.2.1 Turning to performance and outlook, the main portfolio was up 2.68% for the calendar year to date and stood at £4.2M. The private equity fund stood at £380,784.

5.2.2 The main focus at the current time was on the outlook for interest rates, it was felt that recession in the UK and elsewhere still remained likely due to the lag of the effect of rates rises on the property market, notably as fixed rate mortgage terms came to an end and had to be renegotiated.

5.2.3 In response to the question about what ABS might consider in the event of selling the property assets, the view was that an increase in risk may be appropriate on the basis of a two fund approach, a proportion of monies set aside at a lower risk level to cater for shorter term cash requirements with a larger proportion set aside in a longer term fund invested at a higher risk level to help increase returns.

5.2.4 It was agreed to issue investment reports earlier than had been the case to date to allow the staff team more time to prepare committee papers.

5.2.5 Robert Inglis was thanked and left the meeting.

5.2.6 Simon Still reported that the structure and strategy of the sustainable fund approach suggested by Cazenove was similar to the approach of other investment managers such as Ruffer, the main issue with Cazenove/Schroders being that their funds had not performed well versus the market over the last 12 months or so.

5.2.7 The Committee agreed that a formal review of the investment managers was now required, due to the current pressures of other activity it was recommended that this should take place within the next 18 months.

5.3 Investec investment reports

5.3.1 The main Investec portfolio was up 2.5% for the calendar year to date to June and currently stood at a little over £4M following the recent withdrawal to repay the Lloyds Bank loan. The Sawyer Fund stood at £717,562 at the end of July.

5.3.2 The merger between Investec and Rathbones was expected to complete later in September, however this was not expected to lead to any changes to the approach of Investec.

5.3.3 They remain cautious about chasing markets any higher due to their concern that the lagged effects of interest rate rises are yet to be fully felt.

5.3.4 They additionally remain reluctant to increase exposure to US equities but are fully committed to equity markets in the rest of the world where they see much better value on offer. They are more comfortable than previously owning sovereign fixed income assets as risk diversifiers within the portfolio given their higher yields and do not recommend taking a hard defensive stance in portfolios due to the belief that the interest rate cycle will peak in 2023.

5.4 Management accounts

5.3.1 The latest management accounts up to July 23 were annexed at C.

5.3.2 The accounts included the £71,000 student hardship grant gifted to ABS by the Middle Orchard Trust earlier in the year. If this was excluded, income overall was £29,000 lower than budget, with shortfalls in voluntary income partially offset by additional income from commercial property and investments.

5.3.3 Expenditure was very slightly lower than budgeted and the net position overall, excluding the student hardship monies, was £16,000 worse than budget.

5.5 Finance review

5.5.1 Jon Rolfe and Max King of Epoch Consulting attended the meeting via zoom and gave a presentation on their work to date on the finance review.

5.5.2 The objectives for ABS as they saw it was achieving stabilisation, asset optimisation and risk management.

5.5.3 The risks and pressure points were identified as the current high burn rate on investments due to the level of withdrawals, the ratio of illiquid to liquid investments, portfolio volatility and inflation.

- 5.5.4 On the basis of taking no action, ABS would run out of liquid assets in approximately 14 years, leaving just the illiquid/property assets, this would increase the risk of discounted property sales if the decision to sell was left too late.
- 5.5.5 No matter what the decision on the property assets, there would need to be either further cuts to expenditure, an increase in income or a combination of the two; the scale of these changes would depend to some degree on the outcome of the decision about the properties.
- 5.5.6 In order to better manage the sequencing risk, Epoch were recommending updating the Investment Policy and outlined what they referred to as a multiple bucket approach for the investments as a whole. This would involve withdrawing annual cash requirements prior to each financial year commencing, an appropriately sized portfolio containing enough funds for between 2 and 5 years of expenditure and the remainder of the funds to be invested in a longer term +5 year portfolio in the expectation it would be able to achieve growth without the need for withdrawals.
- 5.5.7 The Committee were generally happy with the suggested Investment Policy in principle but made it clear they now required Epoch's report in full as a priority and to enable decision making, notably on the question of the property assets, risk and affordability.
- 5.5.8 To complete the report Epoch required access to data from Cazenove and Investec and would produce the report in draft form 10 working days following receipt of that data.
- 5.5.9 After Epoch left the meeting it was agreed that little new information had been provided since the workshop earlier in the year, the investment strategy outlined was similar to that discussed with Cazenove earlier in the meeting and ABS needed to move on with looking to agree the long term asset mix and risk levels.

5.6 Budget 2023-24

- 5.6.1 The budget had been through several drafts and it was thought was now at a stage where little additional changes could be made to income and expenditure without a robust plan to get to the position of long term financial sustainability.
- 5.6.2 The Business Planning Working Group was meeting the following week to discuss and address the way forwards on financial sustainability, with a view to agreeing on the priorities necessary to create a strategic plan which would inform future budgeting.

6. **Property**

- 6.1 The deal to let the first floor at 43 Portland Place was progressing well and it was hoped to complete the lease later in September.

{Post meeting note. The lease was completed on 15 September 2023}

- 6.2 This left the fourth floor and recently vacated third floor at No. 43 vacant. The fourth floor had been on the market for a considerable length of time and it was agreed to amend the marketing details to try and aid interest.

CEO

7. Risk

- 7.1 There were no updates to report at the meeting and it was agreed to submit the Policy as it stands to the Board in October with some amendments to the risk assessment and scoring criteria and the risk register items following review by the committees.

8. Auditor update

- 8.1 ABS had now been confirmed as a client of Moore Kingston Smith and work was progressing on preparing the documentation and timeline for the audit later in the year.

- 8.2 A pre-audit date had been set in early November when MKS would come in for two days and carry out an initial review, the full audit and fieldwork was scheduled for the first week in December.

9 Membership of the Committee

- 9.1 Tony Cartmell had decided to step down as committee member following the meeting was thanked for his efforts over the last two years.

- 9.2 Nigel Thorne confirmed he would like to step down as Honorary Treasurer from June 2024.

- 9.3 All other members were happy to remain as members of the Committee for a further year, subject to Board approval.

10 Meeting dates for 2024

- 10.1 Dates for meetings next year were to be reviewed as part of a potential adjustment to Board meetings and to align with budget approval. A draft schedule of dates for 2024 would be distributed in due course.

CEO

11 Any other business

11.1 Post meeting note. Following the meeting it was confirmed that the Lloyds loan had been fully paid off on 21 August 2023.

10 Future meeting dates

10.1 TBC

ARCHITECTS BENEVOLENT SOCIETY

Nominations and Remuneration Committee

Minutes of the meeting held on Wednesday 5 July 2023 at 6 Brewery Square, London SE1 2LF and on zoom at 3.30pm

Present: Karen Rogers (Chair)
Mark Grzegorzcyk
Kate Marks
Sangeeta Shenoy

In attendance: Katie Vivian, Operations Manager
Robert Ball, Chief Executive

Action

1 Apologies for absence

None

2 Declarations of interest

None

3 Minutes of the last meeting

3.1 The minutes of the meeting held on Wednesday 3 May 2023 were approved and signed by the Chair.

4 Matters arising

4.1 None

5 Matters to address

5.1 Hybrid Working

5.1.1 The 6 month trial of hybrid working arrangements had just come to an end and a staff survey would be going out shortly to help gather feedback as to the impact of the working arrangements on the staff team.

5.1.2 If ABS did decide not to renew the lease on the current office after November 2024, initial analysis was showing a potential saving of c. £80,000 per annum on overheads if a move to a part time office was deemed appropriate.

5.2 Employee Handbook

5.2.1 There had been no further updates on the handbook since the last meeting.

5.3 Staffing update

5.3.1 The management team were proposing changes to the team structure to reflect current activity levels and a new strategy being put forward by the new Development Manager to increase voluntary income increase. The proposals would result in a 4% increase in the salary bill.

5.3.2 The Committee were concerned about any uplift in salaries at the current time, bearing in mind the ongoing finance review and overspend vs the welfare budget and asked the team to therefore reconsider the proposals and come back with an alternative plan with reduced cost implications.

5.3.3 A further meeting was convened on Monday 10th July to review an alternative option which would involve a 2% salary bill increase and the Committee agreed to review the proposal further and come back with a decision.

Ctte

5.4 Succession planning

5.4.1 Alison Thornton-Sykes had been appointed as a trustee in June and there were now 11 trustees in total, leaving as potential vacancy, with a further trustee due to retire in June 2024.

5.4.2 Members discussed succession planning with a specific focus on the trustee officer roles, with the current Chair and Hon Treasurer due to retire as trustees in June 2025 and June 2026 respectively.

5.4.3 With regards to the Hon Treasurer role, the Committee discussed the possibility of recruiting from outside the profession, in order to bring in someone with high level financial experience and ideally with extensive knowledge of the not for profit sector.

5.4.4 Possible recruitment avenues for such individuals might include the main accountancy bodies/institutes, not for profit groups advertising these roles, such as the Honorary Treasurers Forum, as well as any finance related networks within the profession and notwithstanding any candidates from within the Board.

5.4.5 Other future vacancies would also need to be kept under review as the current trustees retired, including those of Committee Chairs and it was proposed to send out a trustee officer and committee interest form to all in the near future.

CEO

6 Any other business

6.1 There was none

7 Date of next meeting

The Committee would look to meet again in September, prior to the year end and possible dates would be communicated to all.

CEO

