

ARCHITECTS BENEVOLENT SOCIETY

Minutes of the ABS Board of Trustees meeting held at 6 Brewery Square, Copper Row, London SE1 2LF and online (Zoom) on Wednesday, 5th June 2024 at 2.00pm.

A Trustees only meeting was held after the Board Meeting.

Present: Karen Rogers (KR), June Board meeting co-chair
 Nigel Thorne (NT), Honorary Treasurer and June Board meeting co-chair
 Richard Brindley (RB), Trustee
 Mark Hodgkinson (MH), Trustee
 Rick McCluggage (RM), Trustee (online)
 Andy McLeish (AM), Trustee (online)
 John Moakes (JM), Trustee
 Aled Rees (AR), Trustee (online) (left meeting after discussion of item 13.1)
 Sangeeta Shenoy (SSh), Trustee
 Sumita Singha (SS), Trustee
 Alison Thornton-Sykes (ATS), Trustee (online)

In Attendance: Katie Vivian (KV), Acting CEO
 Richard Beer (RB), Development Manager
 Tricia Johnstone (TJ), Chief Finance Officer
 Helen Stanley (HS), Welfare Lead
 John Hildebrand and Sabina Khan (Investec) – for agenda item 5.1
 Rory Flemming (Cazenove) – for agenda item 5.2
 Sue Powell - minutes

Apologies: Mark Grzegorzcyk

Agenda Item
<p>1.Appointment of Chair for June 2024 Board Meeting</p> <p>1.1 KR and NT were appointed as co-chairs for the June 2024 Board meeting.</p>
<p>2. Welcome and Apologies</p> <p>2.1 KR and NT welcomed attendees and noted apologies from Mark Grzegorzcyk. 2.2 AR submitted apologies for the Trustees only meeting due to be held at the end of the Board meeting. All other Trustees confirmed that they would be available to attend.</p>
<p>3.Declaration of Interest</p> <p>3.1 No declarations of interest noted for this meeting.</p>
<p>4.Minutes of the last meeting and Matters Arising</p> <p>4.1 Minutes of the last meeting held on Wednesday 28th February 2024 were approved as an accurate record.</p>

<p>4.2 Matters Arising: outstanding Skills Audit forms have been requested. A report on the outcome of the audit will be presented to the Nominations and Remunerations Committee.</p>
<p>5. Investment Manager Reports</p> <p>5.1 Investec</p> <p>5.1.1 John Hildebrand (JH) and Sabina Khan (SK) reported on behalf of Investec. Presentation slides will be circulated.</p> <p>5.1.2 The Board was informed that Investec has combined with Rathbones and is now known as Rathbones. ABS will receive a Letter of Bid outlining the changes.</p> <p>5.1.3 JH outlined how the combination with Rathbones will enhance ABS's experience. It was noted that this will include opportunities for enhanced and bespoke trustee training in addition to the current NCVO (National Council for Voluntary Organisations) training.</p> <p>5.1.4 JH highlighted four portfolio areas requiring decisions from ABS:</p> <ul style="list-style-type: none"> ▪ Benchmarks (main and Sawyer funds) ▪ Cashflow (outflows and raising money for these) ▪ Ethical constraints strategy (clarification of ABS's position on acceptable investments) ▪ Signatories (review number of signatories and current £100, 000 second signatory threshold) <p>5.1.5 The Finance, Audit and Risk Committee will discuss the points outlined in 5.1.4 and present recommendations to the Board for consideration/approval.</p> <p>5.1.6 ABS will check the accuracy of administrative data that Investec holds for ABS and will report back to Investec (see Investec presentation p.18).</p> <p>5.2 Cazenove</p> <p>5.2.1 Rory Flemming (RF) reported on behalf of Cazenove. Presentation slides will be circulated.</p> <p>5.2.2 The legacy private equity portfolio will be reviewed by the Finance, Audit and Risk Committee.</p> <p>5.2.3 The benefit of forecasting drawdown expectations was discussed. The Finance, Audit and Risk Committee will consider potential need for an ABS drawdown strategy.</p> <p>5.2.4 The ABS Q1 2024 Ethical Screening report was reviewed.</p> <p>5.2.5 ABS investments are being transitioned to ethically compliant holdings that align with ABS's Ethical Investment (ESG) Policy. Full transition to a sustainable, balanced and fully compliant portfolio is expected within the next 12 to 18 months.</p> <p>5.3 The Board suggested that it would be timely to review ABS's ESG (ethical restrictions) strategy. It was agreed that the Finance, Audit and Risk Committee would conduct a review and report back to the Board.</p>
<p>6. Annual Business</p> <p>6.1 Charity Commission and Companies House Annual Return</p> <p>6.1.1 The Board agreed that the Charity Commission and Companies House annual returns can be submitted on behalf of the Board by ABS's CEO and CFO, subject to the Honorary Treasurer approving the final versions prior to submission.</p> <p>6.1.2 NT will review and approve the final versions by Thursday 6 June 2024.</p> <p>6.2 Appointment of the Auditors</p> <p>6.2.1 By majority vote, the Board approved the recommendation of the Finance, Audit and Risk Committee to reappoint Moore Kingston Smith (MKS) as ABS's auditors for the financial year ending 30th September 2024.</p> <p>6.2.2 The Board was informed that ABS's MKS Partner will remain unchanged, but a new Audit Manager has been assigned.</p>
<p>7. Trustee Officers</p> <p>7.1 ABS Chair</p>

<p>7.1.1 The Board unanimously approved the reappointment of Mark Grzegorzczuk as ABS Chair of Board of Trustees for a further 12 months.</p> <p>7.2 Honorary Treasurer</p> <p>7.2.1 The Board unanimously approved the appointment of Mark Hodgkinson as Honorary Treasurer.</p>
<p>8.Board</p> <p>8.1 Acting Chair</p> <p>8.1.1 The Board unanimously approved the appointment of Nigel Thorne as ABS Acting Chair until the return of Mark Grzegorzczuk on 20th June 2024.</p> <p>8.1.2 NT notified the Board of his intention to step down from his role as an ABS trustee in June 2025.</p> <p>8.2 Trustee Appointment</p> <p>8.2.1 The Board unanimously approved the reappointment of Aled Rees as Trustee for a further 12 months.</p> <p>8.3 Trustee Retirement</p> <p>8.3.1 The Board noted the retirement of Karen Rogers from the Board of Trustees effective from 6 June 2024.</p> <p>8.4 ABS President</p> <p>8.4.1 The Board unanimously approved the reappointment of Eddie Weir (PPCIAT) as ABS president for a further 12 months.</p>
<p>9.Management Accounts</p> <p>9.1 The Board reviewed the April 2024 Management Accounts [Annex D].</p> <p>9.2 Income for the year to date shows a negative variance of £80k.</p> <p>9.3 Commercial rent is showing as over budget in April due to prepaid rent for May and June being included this month.</p> <p>9.4 The commercial rent year end forecast has been reduced to £550k (a negative variance of £135k) to take account of a 2022 accounting error when a rent-free period was entered as a prepayment but never released. ABS auditors are aware.</p> <p>9.5 Expenditure is over budget by about £114k, mainly due to the welfare beneficiary overspend. The year end forecast for welfare spend show a negative variance against budget of £340k. A forecasting model is being built for future use.</p> <p>9.6 The revised Grant Giving Policy (GGP) came into effect in October 2023 and the assumption in the budget was that monthly grants would reduce significantly from March onward. This, however, is not the case as the changes that were made have taken longer to take effect than allowed in the budget.</p> <p>9.7 It was noted that the full year budget net deficit figure forecast has changed since the last quarterly Board meeting. After a discussion it was agreed that the frequency of management accounts being sent to the Board would be considered.</p>
<p>10. Welfare Budget Review</p> <p>10.1 The Board received a report on the Welfare Budget review.</p> <p>10.2 KV made the Board aware of the forecasted year end welfare beneficiary spend deficit of £340K, outlining the challenging socio-economic context and resulting unprecedented level of demand for support from beneficiaries.</p> <p>10.3 Monthly grants comprise the greatest monthly outgoing. In March 2024, the spend was £117k, however, this spend is reducing with June 2024 spend forecast to be circa £75k. This is mainly due to:</p> <ul style="list-style-type: none"> ▪ a slowdown in the number of new beneficiary requests ▪ October 2023 changes to the Grant Giving Policy now taking effect

<p>10.4 KV highlighted the importance of swift implementation of operationally robust budget monitoring tools and control mechanisms. Recommendations will be presented to the Welfare Committee and submitted to the Board for approval.</p> <p>10.5 A forecasting model to more accurately assess committed Welfare beneficiary spend is currently being developed. This should be ready for deployment by July 2024.</p>
<p>11. Strategic Plan</p> <p>11.1 The Business Planning Working Group (BPWG) met on 4th June 2024 to begin discussing ABS's 2024-2027 business planning and strategy.</p> <p>11.2 The new business plan is expected to be implemented from 1st October 2024, subject to Board approval.</p> <p>11.3 KV presented the Executive team's 2024-2025 planning and strategy proposals. The points raised would be considered further by the Board at the Trustee only post-Board meeting and KV would be informed of the outcome. KV confirmed that the presentation slides would be circulated.</p> <p>11.4 NT noted that ABS Trustees and Staff have recently been operating under challenging circumstances. However, progressing strategic and business planning signals transition to a more positive future period.</p> <p>11.5 It was agreed that it would be useful to clarify the relationship between ABS strategic and operational roles - and communications between the Board and ABS's Executive team - as part of the future planning process.</p> <p>11.6 KV informed the Board that development of a sustainable and effective long-term model of welfare support is a key strategic priority. The revised model must provide a framework that supports financial stability, but it is also important that it enables ABS to meet its charitable objectives.</p> <p>11.7 It was noted that fundraising targets are being met, and are already 25% up on last year.</p> <p>11.8 Preventative models of welfare support based around beneficiaries' holistic needs will be explored, but it was stressed that direct grant giving is essential in the relief of poverty and must form part of the revised framework.</p> <p>11.9 It is vital that welfare spend financial commitments are trackable, therefore establishing robust budget monitoring systems and controls measures are priorities.</p> <p>11.10 To aid planning, the Board was asked to support the following proposals:</p> <ul style="list-style-type: none"> ▪ 2024-2025 to serve as a transitional year. This would allow for a comprehensive review of welfare support and the Grant Giving Policy (GGP) with full implementation of new welfare support model by October 2025, subject to Board approval. ▪ Freeze Minimum Income Standard (MIS) levels for 2024-2025.
<p>12. Risk Register</p> <p>12.1 The Board noted the revised version of the Risk Register [Annex E] which now reflects circumstances encountered over the previous 6 months.</p> <p>12.2 KV confirmed that the Risk Register Revision log would be updated.</p> <p>12.3 A query was raised concerning why risk S5 does not refer to the Executive. It was clarified that this is because the risk is strategy focused.</p> <p>12.4 Following a general discussion about the content of Risk Register, it was agreed that the Finance, Audit and Risk Committee would conduct a general review of the Register's content (to include checking that associated policies and procedures are in place) and report back to the Board.</p>
<p>13. Committee Reports</p> <p>13.1 Development & Engagement Committee</p> <p>13.1.1 Concerns about Ambassador engagement continues. The programme's administrative processes are being reviewed internally with the revised process expected to be implemented for the 2024-2025 financial year.</p>

13.1.2 Although there are concerns about Ambassador engagement, returns for this year are already 16% ahead of the result for the whole of last year.

13.1.3 AR thanked KR for her contributions to the Development and Engagement Committee.

13.2 Finance Audit & Risk Committee (FAR)

13.2.1 An agreement has been reached to let the third floor of 43 Portland Place to the current ground floor tenants. The lease should be in place shortly.

13.2.2 ABS staff will move back to 43 Portland Place (4th floor) when the 6 Brewery Square tenancy expires in December 2024.

13.2.3 The Finance Contractor (Simon Still) was being paid for his services as a FAR committee member, however, as this is not in line with ABS policy, it had been suggested that any payments made should be retainers for consultancy. Further to this, Simon has submitted an initial draft proposal to be considered after the return of Mark Grzegorzczuk. The FAR Committee has not yet discussed this item.

13.3 Nominations & Remuneration Committee

13.3.1 Further to KR's retirement as an ABS Trustee and co-chair of the Nomination and Remuneration Committee, SSh and ATS were appointed as the Committee's co-chairs. KR will remain on the Committee as member for one more year to support a smooth handover.

13.3.2 Development and Engagement Committee review is currently for discussion only.

13.3.3 The Board approved continuation of temporary roles for a further three months effective from the 1st June 2024.

13.3.4 It was confirmed that the Board will receive the first Quarterly Operational Board Report at start of July 2024.

13.3.5 Outgoing CEO: The Insurance Claim was rejected. There is an option to appeal the decision, but this would rely on Rob providing additional medical evidence, and the appeal being supported by ABS, as the policy holder. Rob is aware.

13.3.6 KV noted that consideration is being given to succession planning for the Board and clarified that the priority is to recruit a trustee with welfare experience.

13.3.7 The Board discussed the Trustee/Committee member recruitment process. It was agreed that investing in recruitment and ensuring that ABS operates a compliant recruitment policy and fair selection process is important. This will support effective governance and diversity.

13.4 Welfare Committee

13.4.1 The Welfare Committee Chair confirmed that the main items had been covered during the Board discussions. No further comments or questions were raised.

14. AOB

14.1 November 2025 will mark ABS 175th Anniversary. Consideration will be given to potential celebration plans in due course.

14.2 Karen Rogers was thanked for her time and commitment during her 10-year term as an ABS Trustee and gratitude was expressed for her support through substantial organisational change.

14.2.1 Thanks was also extended to Karen on behalf of ABS staff.

14.2.2 The Board presented Karen with a thank you/farewell gift.

15. A trustees only session was held directly after the Board meeting.

Date of next Board meeting: Wednesday 25th September 2024

ACTIONS AGREED

5.1.1 5.2.1	Share Investec and Cazenove presentation slides with Board.	KV/SP
5.1.5	Review Investec requirements.	FAR Committee
5.1.6	Check accuracy of ABS admin data held by Investec and report back to Investec. Presentation p.18.	TJ/FAR Committee
5.2.2	Review Cazenove legacy private equity portfolio and report to Board.	FAR Committee
5.2.3	Consider need for ABS cash drawdown policy and report to Board.	FAR Committee
5.3	Review ABS ESG (ethical restrictions policy) and report to Board.	FAR Committee
6.1.2	Acting Chair to review and approve Charity Commission and Companies House annual returns before submission by CFO/Acting CFO.	NT
9.7	Consider frequency of Management Account reporting to Board.	Board
10.4	Develop budget monitoring tools and control mechanisms. Present to Welfare Committee for recommendation to the Board.	KV/HS/TJ
10.5	Develop grants expenditure forecasting model for deployment by end July 2024.	KV/HS/TJ
11.3	Circulate Exec Teams' 2024-2025 Planning and Strategy presentation slides.	KV
11.5	Clarify the relationship between ABS strategic and operational roles - and communications between the Board and ABS's Executive team - as part of the future planning process	SMT/NR Committee/ABS Chair
12.2	Update Risk Register revision log.	KV
12.4	Complete general review of Risk Register content, including check for associated policies/procedures.	FAR Committee
13.3.4	Submit first quarterly operational reports to the Board from July 2024.	Acting CEO