

# ARCHITECTS BENEVOLENT SOCIETY

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## ABS Board of Trustees

### DRAFT Minutes of the ABS Board of Trustees Update meeting held online (Zoom) on Monday 18<sup>th</sup> November 2024 from 2.30pm.

Present: Richard Brindley (RB), ABS Chair  
Mark Grzegorzczak (MG), Trustee  
Mark Hodgkinson (MH), Trustee  
Rick McCluggage (RM), Trustee  
Andy McLeish (AM), Trustee  
Sangeeta Shenoy (SS), Trustee - to 16.36

In Attendance: Richard Beer (RBe), Development Manager  
Tricia Johnstone (TJ), CFO  
Katie Vivian (KV), Acting CEO  
Sue Powell (Minutes)

Apologies: John Moakes  
Aled Rees  
Nigel Thorne

#### 1. Welcome and Apologies

- 1.1. The Chair welcomed attendees and noted apologies from John Moakes, Aled Rees and Nigel Thorne.

#### 2. Declaration of Interest

- 2.1. No declarations of interest pertaining to this meeting's business were noted.

#### 3. Management Accounts

- 3.1. The Board received an update on the September 2024 Management Accounts (Annex A).
  - 3.1.1. Overall income for the year was £1.019m v budget income of £1.362m (negative variance of £344k).
  - 3.1.2. Overall expenditure for the year is £2.5m v budget expenditure of £2.2m (negative variance of £260k)
  - 3.1.3. The overall net deficit for the year is £1.4m v budget of £846k. When taking into account gains on investment the deficit reduces to £593k. The overspend is mainly due to the welfare overspend, unrealistic legacy budget figure and correction of a 2022 rent error.

- 3.1.4. A query was raised concerning the £11k negative variance for event costs. RBe clarified that this was a reapportionment of costs between marketing and events rather than actual overspend.
- 3.2. The Board received the 2023-24 draft annual accounts noting there are still amendments to be put through (Annex A)
  - 3.2.1. TJ informed the Board that desktop valuations of ABS properties have been completed. In the first surveyor's opinion there has been little change in the value in comparison to September 2023.
  - 3.2.2. TJ has asked the auditors if it would be acceptable to use the surveyor's desktop valuations for the 2024 annual accounts. This decision would also require Board approval.
  - 3.2.3. If the auditors approve this approach, the suggested property valuations - to be held in the annual accounts will be emailed the Board for review and electronic agreement.
  - 3.2.4. A query was raised as to why the 2024 cost for fundraising (£320,573k) is higher than the 2023 cost (£178,656k). TJ said this was due to apportionment of costs but will clarify and report back to the Board.
- 3.3. The Board received an update on the October 2024 Management Accounts.
- 3.4. Overall income for the year to date is £157k v budget income of £138k. The positive variance of £19k is mainly due to an unsecured loan that was repaid in the month.
- 3.5. A query was raised on whether the repaid loan was £22k rather than £26k. TJ will clarify.
- 3.6. Concern was raised about allocating unsecured loan repayments to fundraising.
- 3.7. TJ clarified that it had been agreed that if written off loans were repaid, the income would be allocated to individual giving in fundraising. Loan repayments are highlighted in the management account notes therefore the actual income from fundraising should be clear.
- 3.8. A query was raised about the likelihood of fundraising income being below budget at the end of quarter one.
- 3.9. RBe informed the Board that forecasting fundraising income will remain challenging pending a review of the ABS Staff Structure and a decision by the new CEO on recruiting to the team's vacant role.
- 3.10. Overall expenditure for the year to date is £193k actual v £211k budget (positive variance of £18k).

#### **4. Property**

- 4.1. The Board received an update on ABS properties and the Portland Place lift refurbishment.
- 4.2. Floor Two, 43 Portland Place: a five-year lease renewal from January 2025 has been agreed with existing tenants, Broadcast Revolution.
- 4.3. Floor three, 43 Portland Place remains vacant following the collapse of lease discussions with new prospective tenants, Best At Travel. Previous negotiations with Poppins (Portland Place, ground-floor tenants) had also fallen through. Eddisons, the letting agents, have reported that they have had further expression of interest from potential tenants.
- 4.4. A one-year lease renewal has been signed by the existing tenants of 9 Weymouth Mews. The renewal includes a 3% rent increase.
- 4.5. A third contractor has been asked to quote for the Portland Place lift refurbishment works, but they have not yet responded.
  - 4.5.1. The letting agents, Eddisons, should be reminded that the lift works must be included in lease negotiations with any prospective floor three tenants.
- 4.6. Poppins, 43 Portland Place ground floor tenants had been withholding rent payments due to disputed legal costs incurred during the third-floor lease negotiations that collapsed. Rent payments are now up to date but service charge payments are outstanding.

- 4.7. A £10,000 unexpected cost was incurred in order to make safe the boilers at 43 Portland Place. The charge will be passed on to lessees in this years' service charge, but a proportion may not be recoverable due to service charge caps.

## **5. Staff Salary Review**

- 5.1. The Board was informed that the staff salary review remains under discussion with the Nominations and Remuneration Committee. The committee expects to reach a decision within the next week.
- 5.2. Authority to approve staff salary increases is delegated to the Nominations and Remuneration Committee. As such, the Committee's recommendation will be accepted as long as it falls within the 5% allowance increase allocated in the 2024-25 budget.
- 5.3. Any approved salary increase would need to be backdated to the 1<sup>st</sup> October 2024.

## **6. Grant Giving Policy (GGP)**

- 6.1. The Board was also asked to consider an SMT proposal to implement additional GGP control measures (document appended). The measures proposed do not replace the implementation of changes agreed by the Board on 25<sup>th</sup> September 2024 but are additional measures to achieve the required 2024-25 budget savings and to implement the decision in the most effective and practical way.
- 6.2. The additional measures proposed are outlined below:
- a. Beneficiaries who have been in receipt of a grant for 3 years plus will be subject to MIS reductions at their next review (from 1<sup>st</sup> March 2025), and their grants will end by July 2025 completely.
  - b. Beneficiaries who have been in receipt of a grant for less than 3 years will be subject to MIS reductions at their next review (from 1<sup>st</sup> March 2025), and their grants will end by May 2025 completely.
  - c. From December 2024, no new monthly grants are awarded. Only one-off grants and indirect support (referrals to our welfare partners) will be awarded to new beneficiaries, up to the value of £2500 maximum per person.
- 6.3. After discussion, the Board supported blending these additional measures with the changes previously agreed at the 25<sup>th</sup> September 2024 Board meeting.
- 6.4. It was agreed that a draft of the updated GGP (to include the changes agreed at the 25<sup>th</sup> September Board meeting and the additional measures), and an indication of impact, would be submitted to the Board for review and electronic approval by 2<sup>nd</sup> December 2024.
- 6.5. Assuming Board approval of the draft GGP, communications will be sent to existing beneficiaries in December 2024 with changes to be implemented for new beneficiaries from 1<sup>st</sup> January 2025.

## **7. Office Move**

- 7.1. Office move preparations are on track for a move to Floor 4, 43 Portland Place before the Brewery Square lease expires on 11<sup>th</sup> December 2024.
- 7.2. The Portland Place office fit-out should begin within the next two weeks.
- 7.3. A quote for moving furniture from Brewery Square to Portland Place will be obtained once the move date is confirmed.
- 7.4. RBe is exploring options for the removal of unwanted furniture from Brewery Square.

## **8. ABS Staffing**

- 8.1. The Development team Partnership Executive role has been vacant since the end of August 2024. Recruitment is on hold pending review of the Staff Structure by the new CEO.

- 8.2. Helen Stanley, ABS Welfare Lead, is due to leave ABS on 4<sup>th</sup> December 2024. A decision on recruiting to the role will be made after the new CEO has reviewed the ABS Staff Structure and Welfare delivery.
- 8.3. Due to the current staffing issues KV and the Welfare team are operating under enormous pressure. The Chair asked for the Board's thanks to the team for their hard work and efforts to keep operations going under difficult circumstances.
- 8.4. A new temporary Welfare Assistant joined the Welfare team on Wednesday 6<sup>th</sup> November 2024 for a three-month period.
- 8.5. The start date for the new CEO is confirmed as 6<sup>th</sup> January 2025.
- 8.6. The acting senior manager roles for KV and RB have been extended for one further month until 31<sup>st</sup> December 2024.
- 8.7. The Nominations and Remuneration Committee has been asked to consider extending the temporary Welfare Assistant and Executive Assistant roles to the end of February 2024. Decision pending.
- 8.8. SMT priorities currently include the GGP review, ABS office move, and annual Audit.

## **9. Trustee Recruitment**

- 9.1. The Board was informed that there had been three applications and one expression of interest in response to the advertised trustee role.
- 9.2. The Nominations and Remuneration Committee recommended inviting two of the applicants to interview. Interview dates will be confirmed once the interview panel has been agreed. The panel is expected to include ABS Chair, Nominations and Remuneration Chair and one other ABS trustee.
- 9.3. One applicant will not be invited to interview. The applicant is a current member of the Development and Engagement Committee, therefore, the Nominations and Remuneration Committee recommended liaising with the Development and Engagement Chair before notifying the applicant.
- 9.4. The Board discussed the importance of ensuring that candidates are clear about the time commitment required from trustees. This will be addressed at interview.

## **10. Meeting Dates**

- 10.1. The Board received and approved the draft 2024-25 Board and Committee meeting dates. Meeting invites will be sent in due course.
- 10.2. The possibility of holding one 2024-25 Board meeting outside London was raised. The Board proposed discussing this further at the February 2025 Board meeting.

## **11. AOB**

### **11.1. Trustee Annual Report**

- 11.1.1. KV and TJ will co-ordinate trustee input into the Annual Report. KV alerted the Board to a potential delay due to the need to prioritise the Grant Giving Policy updates.

### **11.2. Declaration of Interest Forms**

- 11.2.1. TJ reminded trustees that the trustee 2024 Declaration of Interest forms are required for the upcoming Audit. A prompt will be sent to those trustees who have yet to submit their form.

The meeting closed at 5.01pm.

**ACTIONS AGREED**

#	Item Number (Minutes)	Action	Person Responsible
1	3.2.3	Email surveyor desktop valuations of ABS properties to Board for electronic approval of amount to be held in annual accounts.	CFO
2	3.2.4	Check why 2024 fundraising costs were substantially higher than 2023. Report back to Board.	CFO
3	3.5	Check & confirm amount of October 24 unsecured loan repayment (£22k or £26k)	CFO
4	6.4	Update GGP with changes agreed at the 25th September Board meeting plus additional measures agreed at Board 18 <sup>th</sup> November update meeting. Submit revised draft to Board for electronic approval. Include indication of impact.	Acting CEO/CFO

## Implementation of Grant Giving Policy (GGP) Changes

### Context

The changes to the GGP agreed by the Board on 25<sup>th</sup> September will have the desired effect of reducing the welfare spend in 2024-25. However, these changes alone will not achieve the £500k savings required, therefore the trustees have agreed to consider applying a spending cap when the first quarter's budget is exceeded.

In order for the trustees to make a decision on the application of the cap, a forecast of annual spend is required. However, with the current GGP, an accurate annual forecast is not possible due to the various outcomes from future grant reviews. For example, in any one month, some grants will stop, some will change in value, some will continue for varying lengths of time. Until the reviews have taken place and a decision made, we cannot build an annual forecast. This issue inevitably affects the ability to assess any necessity to apply a cap, and to what extent.

The implementation of a quarterly cap is problematic in many ways; operationally, equitably and highly risky in terms of reputational damage. The current GGP is not designed to be delivered in this way, and the issues with forecasting mean that this is not workable. Simply applying a cap based on previous quarter overspends would inevitably create a 'stop start' process of grant giving.

The consequences of this are that;

- people are not considered at their time of greatest need, they are considered when ABS grant giving is 'open'
- a backlog of cases would build up for when grant giving restarts meaning that Welfare Caseworkers would be overwhelmed at points during the year
- people with the highest need would not necessarily be those receiving grants
- the Grant Giving Policy does not prioritise eligible applicants and would need to be reviewed and amended to allow this process to be carried out effectively.

Therefore, an alternative method of budget control for 2024-25 needs to be considered, and the Board is asked to consider the proposal below.

### Proposal

1. **Beneficiaries who have been in receipt of a grant for 3 years + will be subject to MIS reductions at their next review (from 1<sup>st</sup> March 2025), and their grants will end by July 2025 completely.**
2. **Beneficiaries who have been in receipt of a grant for less than 3 years will be subject to MIS reductions at their next review (from 1<sup>st</sup> March 2025), and their grants will end by May 2025 completely.**

This timeframe will allow the Welfare Caseworkers to support beneficiaries to prepare for the change and manage the reduction in income as best as they can.

On this basis, we estimate that there will be circa £150k -£200k available to spend on new beneficiaries within the year\*. Assuming the average grant is £704 per month (2023-24 average) and grants are awarded for 6 months, the available funds would allow ABS to award monthly grants to circa 45 new beneficiaries.

\*All figures are estimates.

To enable ABS to support more people in 2024-25, and to implement the GGP changes in an equitable way, it is proposed that:

**3. From December 2024, no new monthly grants are awarded. Only one-off grants and indirect support (referrals to our welfare partners) will be awarded to new beneficiaries, up to the value of £2.5k maximum per person.**

On this basis, ABS can support circa 80+ beneficiaries in the year. This would also allow us to forecast more accurately and with more certainty and we stand a much greater chance of remaining within budget.

If forecasts show that an overspend is likely, steps taken could be:

1. the maximum amount per beneficiary could be reduced for the remainder of the financial year
2. the trustees agree to suspend any further grant awards for the remainder of the financial year.

## **Conclusion**

This implementation proposal is considered to be the most practical and effective way to achieve the savings required in this financial year and:

- allows time for long term beneficiaries to prepare for the withdrawal of monthly financial support from ABS
- is more equitable for new beneficiaries applying for support from ABS
- increases our chances of remaining within budget and avoiding a problematic quarterly cap on welfare spend.
- provides stability and clarity in welfare provision this year to allow time to focus on building a new long-term model of welfare provision.

**The Board is asked to consider the implementation of the changes described above in order to achieve the required savings in 2024-25.**

## Summary of GGP changes implementation – timeline

Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
<p>Changes announced:</p> <ul style="list-style-type: none"> <li>-Statement on website</li> <li>-Letters to existing beneficiaries</li> <li>-Inform Ambassadors</li> </ul>	<p>GGP changes apply for all new beneficiaries.</p> <p>No new monthly grants awarded as of 1st December. £2.5k maximum per beneficiary.</p>	<p>Quarterly spend reported to Welfare Committee/Board</p>		<p>MIS reduction applied for existing beneficiaries at review dates from March onwards</p>	<p>Quarterly spend reported to Welfare Committee/Board</p>	<p>Grants for beneficiaries in receipt of monthly grant for up to 3 years end.</p>	<p>Quarterly spend reported to Welfare Committee/Board</p>	<p>Grants for beneficiaries in receipt of monthly grant for more than 3 years end.</p>		