

The Big Society Trust

Meeting of the Directors (Members)
19 September 2019 at 8.00 - 10.30am
New Fetter Place, 8-10 New Fetter Lane, London EC4A 1AZ
BOARD AGENDA

1.	<i>NED – only + AB</i> Introduction, Apologies for Absence, Approval of Minutes, Conflicts, Matters Arising	Chair	<i>Documents(timing)</i> Draft Minutes (5 mins)
2.	<i>Bates Wells joins</i> Discussion of TopCo <i>Bates Wells leaves</i>	Chair/RB BatesWells	Update Note & Background BST Articles BST/BSC Governance Agreement Board Resolution (70 mins)
3.	BST Operational Issues	Chair/RB	Note on Board Meetings and Outline Budget (20 mins)
4.	<i>SE and CP join</i> Access CEO Update	SElsworth	Quarterly Update and Dashboard (5 mins)
5.	BSC CEO Update	CPrior	CEO Notes (5 mins) Activity Review Staff Survey Results BSC Expenses Budget
6.	BSC External Capital Project	JRogers EZanuso RMcCartney	Presentation (15 mins)
7.	NED-only session on BST Board composition and Committee structure + Board Recruitment	Chair	Board & Committee Structure (25 minutes)
8.	AOB	Chair	(5 mins)

Next BST Board meeting: 21 November 2019 at 8:30-10:30am

**Minutes of the meeting of the Board of the Big Society Trust
8:00-10:30am 19 Sept 2019**

In attendance:

Dame Clare Tickell (CT) Chair
 Robin Budenberg (RB) (for Items 1-3)
 John Kingston (JK)
 Peter Holbrook (PH)
 Sir Harvey McGrath (HM)
 Sir Stuart Etherington (SE)
 Stephen Howard (SH)
 Jo Fox (JF)
 Nicola Pollock (NP)

Other attendees

Cliff Prior (CP) BSC CEO (for Items 4-6)
 Seb Elsworth (SEI) Access CEO (for Items 4-6)
 Jeremy Rogers (JR) (for Item 6)
 Evita Zanuso (for Item 6)
 Rebecca McCartney (for Item 6)
 Alastair Ballantyne (AB) Company Secretary

Bates Wells

Luke Fletcher (LF) Partner (for Item 2)
 Oliver Hunt (OH) Associate (for Item 2)

		ACTION
1	<p>Introduction</p> <p>The Chair confirmed that there were no Apologies to record. The minutes of the previous Board meeting were approved without alteration, no conflicts were declared (beyond the potential conflict of the Chairs of Access and BSC detailed in the note on the proposed Resolutions to the Board. This was discussed and the Chair confirmed her opinion was there was no conflict in relation to the proposed Resolution).</p>	<p>AB to publish agenda and minutes of the June BST meeting on the BSC website. [DONE]</p>
2	<p>Discussion of TopCo</p> <p>AB explained the background to the development of the new governance documents that are required to include the new OpCos (Fair4All Finance (F4AF) and Youth Futures Foundation (YFF)) into the BST Group. Much of the development was outlined in the exchange of letters between DCMS, BSC and BST circulated with the papers.</p> <p>Specific issues that had been raised in the negotiation of the documents were discussed.</p>	<p>Arrange meeting of F4AF Chair with CT and RB to discuss Rem Principles and Board Ratification. [CT/AB]</p> <p>Prepare a note on Board Ratification processes by BSC and Access for circulation to the TopCo Working Group – [AB - DONE]</p> <p>Follow-up on preparing legal documentation</p>

		required for Special resolution to change BST Articles [AB/OH]
3	<p>BST Operational Issues</p> <p>It was noted that on September 18 the Secretary of State at DCMS had signed off on a direction to NLCF to make funding available to cover BST's running costs.</p> <p>The Budget for BST was reviewed. JK expressed concern about justifying the amount of money spent on administering Dormant Accounts money with the multiple levels of administration and supervision required (Reclaim Fund, NLCF, BST). CT shared this concern but pointed out that BST is only able to influence its own costs.</p> <p>A major cost could be remuneration of the BST Board. There was a discussion of whether payment was necessary to attract the right candidates and CT indicated that offering a payment to those who needed it could be an approach. SE suggested an approach of offering a payment to Directors reflecting a discount to the average of the remuneration paid by OpCos to their NEDs (say, agreeing to pay 80% of this amount).</p> <p>There was a discussion of re-branding BST. It was recognised that this needs to be done, but is not an immediate priority.</p> <p>It was agreed that, to the extent that BST needs a website separate from those of the OpCos, it should be very basic and just be a platform for information about BST, including published minutes. BST should not have a logo or engage consultants to design the website.</p>	
4	<p>Access CEO Update</p> <p>SEI referred to the materials circulated to the Board and highlighted a consultation exercise with intermediaries and other key partners on the long-term need for subsidy and the form of request Access should be making to Government for further funding.</p>	
5	<p>BSC CEO Update</p> <p>CP referred to the materials circulated to the Board. These included the results and follow-up to the Staff Survey, as requested.</p> <p>He highlighted that Aon had tested the BSC Investment Process and had come back with a strong endorsement. [ACTION: CP to circulate a short summary to Board]</p>	[Circulate Aon Report Summary to Board – CP]

	<p>The vision, narrative and visual brand work had been an extensive exercise and would be revealed in November (there would not be a formal launch as such).</p> <p>CT noted that the Management Accounts showed there had been a cost over-run on this project. CP said this reflected the timing of the budgeting process and the costs associated with developing the visioning and narrative work and the website. HM confirmed that this had been approved by the BSC Board.</p>	
6	<p>BSC External Capital Project</p> <p>JR provided the Board with an update on BSC’s External Capital Project and how it ties in with BSC’s mission of developing the social investment market. He explained the struggle fund managers targeting higher impact investments have in raising capital (including established managers with a track record such as BII or Resonance). This is despite the transformation to the social investment market seen in the last few years.</p> <p>BSC is told by investors that there is a greater interest than ever for investing in this space but the barriers, such as due diligence on multiple small unfamiliar funds and long ramp-up periods, are substantial.</p> <p>The products BSC is proposing will help absorb the complexity and makes it as simple as possible for new investors to access the market and more money to flow to established fund managers.</p> <p>There are two opportunities currently being pursued (in confidence): issuing an investment trust with Schroders; and a 90/10 fund with Mobius Life.</p> <p>HM emphasised that BSC was very well placed to drive this market development and the product was clearly gaining traction. JK agreed that this was the right time to be making it possible for individuals to invest.</p> <p>PH asked about the risks associated with the project. JR responded that targeting a greater range of investors, including retail comes with risks but comfort can be taken from the fact that BSC is working with experienced professional organisations on these products.</p> <p>SH asked if intermediaries (such as BII) saw BSC as a competitor or as an enabler?</p> <p>JR thought that by removing barriers and ensuring everything BSC did was open-sourced meant BSC was clearly enabling others to replicate.</p> <p>PH asked about the longer-term plan. JR and EZ outlined how major investment firms such as Schroders (whose CEO had stated that he sees “impact as the future”) would develop their own products and capabilities. BSC could continue to focus on developing an investment track record for the high-impact tranche of investment products.</p> <p>CT summed up the enthusiasm of the Board and clarified that they saw this initiative as absolutely in line with BSC’s Object.</p>	
7.	<p>NED-only Session</p>	

	<p>CT announced that because she had a new job as Independent Director at John Lewis and the potential conflict she sees with her role at the Early Intervention Foundation and oversight of Youth Futures Foundation, she will be stepping down from the Board of BST after the Board meeting in November.</p> <p>RB has agreed to act as Interim Chair until a new Chair is appointed.</p> <p>She proposed that a Nominations Committee comprising SH (Committee Chair), JF and RB be formed to start the process of identifying Headhunters to find a new Chair and subsequently the new Directors that would be required for the BST Board. The Board was supportive of the proposal and, in particular recognised the need for continuity. There was a discussion of the attributes required of the Chair. SH agreed with RB's assertion that the new Chair should have social sector experience, but this did not mean they had to have run a charity. He thought BST should not rule out people with a private sector background who had extensive non-executive experience of the sector.</p> <p>There was a discussion about possible Recruitment Firms that the Board could recommend (Attenti, Green Park, Gatenby Sanderson and Saxton Bampfylde were mentioned). [ACTION: SH and AB to follow-up.]</p> <p>The Board agreed that quorum on the Board should be reduced from five to four members, recognising that five was unusually high and that there would be a temporary reduction in the number of Directors when the ex-officio roles stepped down.</p> <p>There was a discussion of the Committee structure outlined in the board paper. It was accepted that there needed to be a Review Committee and a Nominations Committee but SE and JK were not convinced the other Committees were needed for a light-touch oversight body. JF suggested that it was important to have an appropriate Committee sub-structure so that the Board was not overloaded with paperwork (including reviewing four sets of OpCo annual accounts).</p>	<p>Follow-up on Chair recruitment [SH and AB]</p>
<p>8.</p>	<p>AOB Follow-up with DCMS and F4AF</p>	<p>CT to speak to DCMS with feedback from the meeting. [CT – DONE]</p>

Next meeting: 21 November 8:30–10:30am at BSC Offices.