

MARY WARD SETTLEMENT INTEGRATED BOARD MEETING

Minutes of the meeting held on

Tuesday 29th May 2018 at 6.15pm

Main Hall, 1 Rushworth Street, London SE1 0RB

Present:	Frances Bates (Chair – MWS/MWLC/BFS) Stephen Carlill (MWS) Gerard Darby (MWS) Kim Duong (MWS/MWLC/BFS) John Edwards (MWLC) Heather Heathfield (BFS) Austin Hill (MWS/MWLC/BFS) Raja Nadarajan (MWLC) Andrew Peck (MWS/MWLC/BFS) Kate Watters (MWS) Margaret Wheeler (MWS/MWLC/BFS) Emma Wyatt (MWS/MWLC/BFS)
In Attendance:	Suzanna Jackson (Warden/CEO) Juliet Woodford (Head of Finance and Resources – H of FR) Allister Duncan (Assistant CEO) Paula Twigg (Director of the Legal Centre - DLC) Sue Craggs (Head of Adult and Community Education – HACE)
Clerk:	Beverley Campbell

Agenda Item		Action
1.	Apologies for absence: were received from Nadine Cartner, Graham Collins, Beatriz Montoya, Jessica Northend, Andrea Williams, Liz Wright	
2.	Declarations of interest: None	
3.	Minutes of the meetings held on 13th March 2018 and 18th April 2018 were approved	
4.	Matters arising: None	
5. 5a	<p>Warden's Report</p> <p>Forward Together Report</p> <p>5.1 The Warden explained the new legal structure post-merger. MWS is the parent company with two wholly-owned subsidiaries MWLC and BFS and an additional small charity SIMBF (South Islington Mothers & Babies Fund). SIMBF has existed since the war, investments of £115k generate approximately £11k a year. An internal committee administer requests for funding from social workers, support staff. The funds are used to purchase one-off items, pans, fridges, etc. This requires a minimum amount of activity each year, however, there will be a need to review the ongoing involvement of MWS.</p> <p>5.2 The Warden clarified the situation with regards to the Adult Education Centre (MWAEC) which is a trading name for the MWS and not a separate legal entity.</p> <p>5.3 The existing membership of MWS is defined as the students, employees and trustees of MWS and its associated centres. A review of the membership will be</p>	

	<p>undertaken as part of the revision of the MWS Articles later in the year. It was proposed that in the interests of parity and practicality that the Board add the Directors/Trustees of BFS as a new class of member and record its recognition of BFS as an associated centre in order that its employees are included in the MWS membership.</p> <p>Agreed that the Directors/Trustees of BFS be added as a new class of member and BFS be recognised as an associate centre.</p>	
<p>5b</p>	<p>Appointment of Chair, Vice Chairs & Treasurers for BFS and MWLC Boards</p> <p>5.4 The Warden stated that in practice all three Boards share the majority of trustees/directors in common. They also have the same Chair and Treasurer. However, to address any potential conflict of interest between the different entities, each Board has some members who are solely members of that specific Board.</p> <p>5.5 The Board were asked to formally appoint the following as Chair, Vice Chair and Treasurer for the BFS and MWLC Boards:</p> <ul style="list-style-type: none"> • Frances Bates, Chair • Margaret Wheeler, Vice Chair • Kim Duong, Interim Treasurer <p>In addition Kate Watters would be appointed as a second Vice Chair for the Settlement Board.</p> <p>The Board approved the appointments as stated.</p>	
<p>5c</p>	<p>Formal Separation of Board agendas and minutes</p> <p>5.6 The Warden outlined the current process for Board meetings, with the Boards for all 3 organisations meeting on the same evening as one integrated Board. All trustees/directors attend and take part in discussion and scrutiny of the activities of all organisations in the group. The sub-committees work in the same way, eg one Finance Committee shared by all 3 organisations. This approach has worked well for MWS by enabling effective decision making on cross settlement issues and improved understanding of strategic and operational issues between the services. It also means trustees, particularly those on more than one board and the SMT can focus their time on attending one meeting.</p> <p>5.7 MWS have recently been advised that there needs to be a more formal separation of the Board minutes and agenda to reflect the fact that there are 3 different organisations. This would mean identifying this on the agenda and producing three separate minutes to clearly show the decisions agreed by each organisation.</p> <p>5.8 Andrew Peck reported that he had undertaken further research on this point and technically the advice on having separation of agenda and Board minutes is correct, but it is administratively cumbersome. The key question is who is this arrangement for? The current process already allows the minutes to note when issues relate to a specific Board to vote on a decision, thus as long as the minutes accurately record the decision he thought it unnecessary to change the current procedure. The Warden added that there will always be a report from each service</p>	

	<p>area – ACE, MWLC and BFS to deal with the operational issues and any decisions can be taken by the separate boards. Issues such as finance, risk management, etc are best considered and discussed as a whole Board.</p> <p>The Board agreed to continue with the single Integrated Board model and review again at a later date</p>	
<p>6. 6a</p>	<p>Legal Advice Services Report on Current Services</p> <p>6.1 The Director of the Legal Centre (DLC) highlighted the following areas in her report:</p> <ul style="list-style-type: none"> • Welfare Benefits – tribunal hearings dates have been coming in quickly, which means the team are under a lot of pressure to draft all the necessary appeal submissions for ESA and PIP. The team have achieved impressive outcomes for clients, increasing weekly incomes by an average of £88. Following successful appeals in the last financial year, over £455,000 was gained for clients in backdated payments. • Housing – still waiting for a decision on the outcome of a partnership bid led by the Royal Courts of Justice CAB to run the Housing Possession Court Duty Scheme at the Central London Court. Price competition was introduced as part of the bidding process so could possibly be outbid. A decision is expected in July for a contract to start in October 2018 • Debt – the Capitalise funding has been extended for a year. The tender documents for the Money Advice Service (MAS) debt advice funding from April 2019 will be published in July 2018. Previously funding was awarded annually, but the new contract will be for 3 years. Toynbee Hall intend to continue as the lead agency in the partnership • Financial Capability Project – funded for a year by the Money Advice Trust to produce financial capability resources for people who have English as a Second Language. The materials are being designed and will be distributed to clients/students • Legal Aid Agency (LAA) contracts – The new contracts are due to start in September in 3 boroughs, Camden, Southwark and Newham. The locations in Camden and Southwark are fixed, but there is still further work to be done to find a fixed base in Newham ahead of the move to Stratford • Justice First Fellowship – one of objective of the funding is to develop a project that promotes access to justice. Thembi is exploring the idea of using Skype to expand access to services to MWLC clients. The aim is to develop a pilot with the pro bono service in the autumn, once some initial research with the volunteer lawyers and service users is completed. Linklaters part fund the Fellowship and are keen to support the IT resources for the Skype pilot <p>6.2 The DLC stated that work is continuing to look at ways to increase advice provision at Blackfriars, through pro bono services and the new LAA contract. The logistical issues of providing legal services across the 3 boroughs, particularly meeting the supervision requirements of the LAA contract and recruiting suitably qualified staff will be discussed as part of the Strategy meeting in June.</p> <p>The Legal Centre report was received.</p>	

<p>7. 7a</p>	<p>Adult & Community Education: Report on Adult Education Services</p> <p>7.1 The Head of Adult Community Education (HACE) highlighted the following areas of her report:</p> <ul style="list-style-type: none"> • Overall enrolment is not as strong as the previous year, however the level of fee income for Term 3 this year is more than the whole of Term 3 from the previous year. This has gone some way to offset the deficit from Term 2 • A substantial summer school has been planned for the last two weeks in July. This will be the biggest and most wide-ranging summer school offering approximately 100 courses, a mix of taster sessions and intensive standalone classes • The Adult Education Service were successful in achieving the Matrix quality standard accreditation for another 3 years • The main focus of the education department at this time is curriculum planning and the production of the 18/19 prospectus, including adding courses to the programme to be delivered at BFS • The Queen Square Fair takes place on Saturday 7th July from 12noon. <p>The Adult Education Centre report was received</p>	
<p>8. 8a</p> <p>8b</p>	<p>Finance Matters: Q3 Accounts</p> <p>8.1 The Head of Finance & Resources (H of FR) presented the details of the Quarter 3 Accounts. The following points were noted:</p> <ul style="list-style-type: none"> • Quarter 3 was more positive – income was up on budget by £34k to the end of April and strong enrolment figures early in Term 3 will have a positive effect on Q4 income for Adult Education • Expenditure in quarter 3 exceeded the budget by £77k. This has resulted in a deficit on the quarter of £108k, £43k higher than budget. • For the year to date total income is £98k below budget. This is offset by lower expenditure costs, resulting in an overall deficit at the end of quarter 3 of £35k • MWLC posted a surplus for the quarter due to casework income being recognised in the period and written confirmation of the annual Linklaters grant (£40k per year for the next 3 years) • Rental income remains a concern, further reducing the forecast for rental income to £21k for the year. MWS is currently waiting to finalise lease agreement with the National Youth Orchestra for the 2nd floor 10GT. <p>The Q3 Management Accounts were noted</p> <p>Draft Budget 18/19</p> <p>8.2 The H of FR stated that the details of the budget were fully discussed by the Finance Committee at a meeting on 22nd May. The following points were noted:</p> <ul style="list-style-type: none"> • The projected deficit for MWS is partially due to the implications of the leaseback arrangements following the sale of 10GT • The projected deficit for MWLC is related to the award of the new legal aid contracts expanding the legal provision to Southwark and Newham. This will necessitate recruiting new solicitors to carry out the work, but income will not be generated from the casework until it is closed and billed. There is also uncertainty about the funding from LB Camden, but this is likely to be rolled 	

over for 6-12 months at the current level of funding.

- BFS is included in the budget for the first time.
- The Chair of the Finance Committee stated that providing certainty for the budget and the financial position in the future was complicated by the fact that funds are being committed now to enable investment which will achieve benefits in the long term
 - Adult Education - more courses to be introduced to widen the scope of classes offered
 - Legal Centre – expansion of advice services from one to 3 boroughs
 - Blackfriars – developing new services.
- The income shown in the budget is based solely on known income
- It was noted that the deficit shown for BFS was primarily a cashflow issue. The level of the deficit could be offset by liquidating some of the £100k of investments currently held. Increasing the level of adult education courses offered at BFS will see income shift from the MW Education Centre to BFS. If necessary it would be possible to make a loan arrangement with BFS, as previously done with MWLC.
- There are 2 columns headed salaries one projecting costs at 1% increase, the other at a 2%. These were presented for the Board to be aware of the financial implications, however the final recommendation on the level of increase will be made by at Remuneration Committee meeting in September.
- It was noted that a copy of the MWS budget will have to be submitted to the Skills Funding Agency by the end of July. It was proposed to submit the budget with the salary increase at 2%, with the option to reforecast if necessary.

8.3 In response to a question on the expected payback period for the investment in services, the Warden stated that in terms of MWLC the addition of 2 further legal aid contracts means that the current staffing model will have to be reviewed to work out how many extra staff is needed. It is unlikely that the new contracts will generate much income in year one as cases need to be completed before billing. Another consideration is whether the level of advice provision in the 3 boroughs should be the same or is there potential for growth in one area more than another.

8.4 The Assistant Chief Executive (ACE) commented that 2022 would be the key time period, so an alternative option could be to wait and see what happens. MWS would have a small surplus each year. Post 2022, the current rental costs for 10GT and 42QS will no longer apply due to the move to Queensway House – property costs will be listed under depreciation.

8.5 The ACE stated that the ESFA financial rating for MWS had changed from outstanding to satisfactory. As result MWS is being monitored more closely by the SFA early intervention team, even though they understand the rationale for the steps MWS have taken and the long term benefits, the SFA insist on going through this monitoring process.

The Budget was Approved by the Board

<p>8c</p>	<p>Recommendations from Finance Committee meeting</p> <p>8.7 VAT Proposal – The ACE gave an overview of the tax situation. Queensway House is not currently registered for tax, while there are no immediate tax implications for MWS, the key benefit in going ahead with registration now is that the VAT on the refurbishment would be fully recoverable under a capital goods scheme, at the point the work started.</p> <p>8.8 The ACE explained the current VAT arrangements that exist for MWS and BFS as separate entities. Post-merger the best option would be for the 3 separate entities of MWS, MWLC and BFS to apply for a group VAT registration. This would simplify the internal invoicing process for the use of building space and provision of services.</p> <p>The Finance Committee recommended that the Board adopt the VAT group arrangement and also to register the Queensway House property for tax</p> <p>The Board approved the recommendations from the Finance Committee</p>	
<p>8d</p>	<p>Resolutions to change Bank Mandates</p> <p>1. For the Co-op account mandates – Change of Account Signatories – MWS, MWLC and SIMBWF (of which MWS is the only trustee):</p> <p>It was resolved and declared that in respect of each of the accounts listed at Section 1 Bank Account Details (the Account(s)):</p> <ul style="list-style-type: none"> • The Co-operative Bank PLC ('the bank') shall continue as our bankers in accordance with our original account application, the business being empowered by and acting within its constitution in giving this instruction • The bank shall be authorized to accept instructions (including telephone instructions and written instructions sent by facsimile and electronic instructions through the use of digital signatures and/or identification numbers and passwords) from us in connection with the account(s) and the service, provided that the instructions are given and/or signed in accordance with the signing authority listed in All account signatories Section 2 Part C and shall be authorized to act on Instructions given by signatories/authorized users in accordance with the Account terms and conditions. Instructions shall mean: cheques, bills of exchange, promissory notes or other orders for payment drawn, made or accepted on our behalf (even if the payments cause the account(s) to be overdrawn) and requests or instructions in writing concerning the account(s), our affairs of property (including the opening of new account(s), the arranging of facilities and the creation of security) • The Bank shall be authorized to honour all cheques and all other documents made or accepted on our behalf even if such payment causes any Accounts to be overdrawn or increase any existing overdraft, provided that such documents are signed in accordance with the specimen signatures shown in the All account signatories Section 2 Part C • The Bank shall act on all specimen signatures in accordance with instruction, notice, request or other document in writing concerning our Account(s) (including the opening of new accounts), affairs or property, as shown in the All accounts signatories Section 2 Part C 	

	<ul style="list-style-type: none"> • The Bank shall be sent a copy of any future resolutions which affect the terms of these resolutions if required • The Bank shall be sent a copy of any changes in our Memorandum and Articles of Association / Regulations or Bye Laws if required • The Bank shall be notified in writing of any change of Director/Partners/Owners/Officials/Members • The Bank shall be notified in writing of any change of Authorised User • The Bank shall otherwise continue to operate our Account(s) in accordance with the signing authority as outlined in Section 2 Part C • The Bank shall be notified in writing of any overall change of control in the business • All signatories to the Account(s) are aged 18 or over • No Directors/Partners/Signatories/Authorised Users have been subject to bankruptcy in the last six years • No Directors/Partners/Signatories/Authorised Users have had County Court Judgements registered against them in the last six years <p>The resolution was passed unanimously by those trustees on the MWS and MWLC Boards</p> <p>2. For the Lloyds account mandates – Blackfriars Settlement: In accordance with the Blackfriars Settlement’s Memorandum and Articles of Association it is resolved:</p> <ol style="list-style-type: none"> a. That the following person(s) be appointed as new signatories to all accounts: Suzanna Ellen Jackson, Allister Paul Duncan, Susan Louise Craggs, Paula Twigg, Juliet Noelle Woodford b. That the following person(s) be appointed as non-signatories to all accounts: Victor Chibundu c. That the following person(s) be removed as authorised signatories from all the accounts: Yutunde Ogundele <p>The resolution was passed unanimously by those trustees on the Blackfriars Settlement Board</p> <p>8e Resolution to approve Bridging Loan In order to purchase Queensway House we are having to borrow £5.4m in the short term as our funds held in the Nationwide will not be released until 20 July.</p> <p>The Board approved borrowing £5.4m from Heritable Bank in order to effect the purchase of Queensway House on 11 June 2018, the loan to be settled from the funds available from the Nationwide Building Society 95 day notice account on 20 July 2018.</p> <p>The resolution was passed unanimously by those trustees on the MWS Board</p>	
9.	AOB: None	
10.	Confidentiality: None	
11.	Date of Next Meeting: 30 th October 2018	
	The meeting closed at 20:05	

Beverley Campbell Clerk - June 2018