

THE MACFARLANE TRUST

A meeting of the Board of Trustees held on Monday 26 October 2015 at 11.00am at Alliance House, 12 Caxton Street, London SW1H 0QS.

PART A

PRESENT Roger Evans (Chairman)
Paul Biddle
Matt Gregory
Alasdair Murray
Jamie O'Hara
Patrick Spellman

IN ATTENDANCE Jan Barlow (Chief Executive)

783.15 Apologies for Absence

Apologies for absence were received from Vanessa Martlew and Victoria Prouse.

784.15 Minutes of Previous Meeting

The minutes of the meeting held on 27 July 2015, which had previously been circulated in draft form, were agreed as a correct record.

785.15 Matters arising from the minutes other than those itemised separately on the agenda

Former minute 775.15 – JB confirmed that the 2015/16 census exercise had been completed. She also advised that NICE had recently made a further announcement regarding the availability of new treatments for Hepatitis C.

GOVERNANCE

786.15 Board membership

i) Chairman

RE's term of office as a trustee and as Chairman was due to come to an end in November 2015. In light of the ongoing uncertainty about the future of the five Alliance House entities, it would not be opportune to attempt to recruit a new Chairman at this time. It was, therefore, unanimously agreed that RE's term of office as a trustee and as Chairman should be extended for a year, to November 2016 (or until any governance changes were implemented by Government).

ii) Trustees

Following the last board meeting, RE and JB had had a further discussion about the possibility of recruiting new trustees. It was acknowledged that attracting candidates at a time when there was uncertainty about the future would be challenging, but it was agreed to continue to consider options.

FINANCE

787.15 Current financial position

The board received the financial position as at 30 September 2015.

JB advised that in most areas, expenditure was in line with the budget for the year to date.

The board had previously noted that expenditure on Grants Committee grants had been greater than the budget, and it had therefore been agreed to review the budget at the end of the first six months of the year. Since the July board meeting, expenditure had continued to exceed budget. The board was keen that grants which met the existing criteria for approval should not be declined for financial reasons; the Grants Committee members confirmed that no grants had yet been declined for this reason. It was therefore AGREED to increase the Grants Committee grants budget by a further £80,000 for 2015/16. The board also AGREED that at the appropriate time, JB should prepare the 2016/17 grants budget in line with spend in 2015/16.

The board reviewed the position with regard to reserves. The board had previously agreed to retain a General Reserve of £750,000, equivalent to approximately three months' running costs. Excluding this, and the approximately £650,000 projected deficit for 2015/16, £1 million remained uncommitted. If MFT received no increase in funding from the Department of Health, MFT could afford to fund the same level of support to beneficiaries for a further year (2016/17), after which time reductions to the support provided would need to be made. RE had made this point to both DH officials at the MFT annual review meeting, and to the Minister on 21 October 2015.

It was AGREED that JB should write to DH stating our financial case for a budget for 2016/17. This should be the financial allocation for 2015, supplemented by the cost of living increase. In addition, DH should be reminded again that the level of reserves held would only enable MFT to supplement the current level of DH funding for one further full year.

It was also AGREED that JB should draft the budget for 2016/17 based on the 2015/16 budget but supplemented by a cost of living payment and account being taken of the level of grants being agreed.

788.15 Investments

- i) Following the discussion with Sanlam, the Investment Managers, at the July board meeting, Charles Brand from Sanlam had prepared a written investment proposal for MFT based on the strategy set out at the meeting. In line with those board discussions, it was proposed to run the General Reserve portfolio to a 50/50 UK equity, UK fixed income split, and the remainder of the reserve portfolio would be invested in short date fixed income instruments only, to allow Sanlam to match the upcoming liabilities as they fell due as best as possible.

The board AGREED the proposal, including the recommendation to transfer £600,000 to the charity's bank account in the first quarter of 2016 (and in subsequent years if appropriate) so that MFT had cash on deposit to be able to meet liabilities as they fell due and to take account of the budget being set in excess of the DH allocation.

WELFARE ii) The Board received the report of the Trust's investments as at 30 September 2015.

789.15 Grants Committee

- i) The board received the minutes of the meeting held on 6 August 2015.
- ii) The board received the minutes of the meeting held on 25 September 2015.
- iii) The board received the management information pack which included the consolidated grant schedules up to and including 30 September 2015.

790.15 Political developments

The board received an update regarding the latest political developments.

It was noted that the Scottish Review Group was due to make recommendations to the Scottish Cabinet Secretary in November. The Department of Health had advised that it was still intending to go out to consultation regarding future arrangements before the end of 2015, but no further detail was known.

Following the last board meeting, RE had written to the Minister, and a response had been received on 8 October 2015. A meeting with the Minister and the Chairs/CEO of the five Alliance House entities had taken place on 21 October 2015. At the meeting, the Minister had thanked the organisations for everything they were doing, and discussed the forthcoming consultation process.

MANAGEMENT

791.15 Chairman's Report

The board received the Chairman's report and were sad to note the death of Rev Alan Tanner, who had been the first Chairman of the Macfarlane Trust. The considerable contribution made by him in the early years was acknowledged.

The board also noted the announcement that Barry Flynn had been appointed as the new Chair of the Haemophilia Society. RE would arrange to meet with him, initially on a one to one basis, in due course.

792.15 Chief Executive's Report

There were no other items to report that weren't already covered elsewhere on the agenda.

793.15 Any other business

There was no other business.

794.15 Date of next meeting

The dates for meetings in 2016 were agreed as follows:

- Monday 25 January 2016, 11am
- Monday 25 April 2016, 11am
- Monday 25 July 2016, 11am

Monday 31 October 2016, 11am