

The Geological Society of London

MANAGEMENT AND FINANCE COMMITTEE

Minutes of the meeting held 5 June 2008

PRESENT: L Frostick (Chair), A Fleet, M Culshaw, E Derbyshire, and I Bartholomew

APOLOGIES: N Rogers, D Manning

With: E Nickless (Executive Secretary), M Kyriakides (Finance Director), N Marriott (Director of Publishing), N Bilham (Data Manager) and S Culver (PA to Executive Secretary)

The President welcomed attendees to her first meeting as Chair of the Committee

1. APOLOGIES

Apologies had been received from N Rogers and D Manning

2. MINUTES OF THE LAST MEETING HELD 2 APRIL 2008

These were agreed.

3. MATTERS ARISING

2.8 *Development and Fundraising Committee*

The Executive Secretary reported that the inaugural meeting of this Committee will take place on 26 June and Iain Bartholomew will chair. Other members are Peter Dolan, Henry Edmondson (Schlumberger) Peter Warren, Malcolm Brown (BG Group), Bruce Levell from Shell and a yet-to-be appointed representative from BP. Mark Moody Stuart is yet to indicate whether he will serve. The purpose of the inaugural meeting is to identify items to fund and funders to target. The Committee suggested that in the past the majority of sponsors have been from the oil and gas industries and that the Development and Fundraising Committee should try to identify other sectors from which to obtain sponsorship to achieve a better balance. It was also recognised that it is important to develop relationships before asking for funding.

IB

9.1 *Loan of the Piltdown Painting (MFC/02/08)*

The Executive Secretary reported that a draft agreement has been received from the Schirn Kunsthalle, Frankfurt accepting all the conditions raised by the Society for the loan of the Piltdown Painting.

3.2 *Fire Risk Report (MFC/04/08)*

The Committee noted that action had been taken on the majority of items. The following amendments were suggested:-

EN

- i. *Smoke Spread (Page 4) – amend 31 March 2008 date*
- ii. *“Will detection give sufficient early warning for people to escape?” (Page 6) – answer should be “Yes”*

The Executive Secretary said he would welcome any further comments.

ALL

5.1 *Operational and financial risk assessment*

The Finance Director reported that this is in progress. **It should be ready within the next 2 weeks and will be circulated to Committee members with the minutes.**

MK

5.2 *Draft Management Letter (MFC/08/08)*

The Committee asked what progress had been made on the decision to approach the auditors for assistance with regard to the operational and financial control matters relating to the processing of Publishing House income. The Finance Director reported that he plans to address this during the summer. **Will be brought forward to next meeting.**

MK

4. HEALTH & SAFETY (MFC/15/08)

4.1 The Committee noted that there have been no accidents or near misses since the last meeting.

4.2 The Executive Secretary reported that the newly-appointed consultants, BBi Alternative Solutions, have made their site visit. They have identified a number of areas where additional notices will be required. They have also identified two areas where a solution could be difficult: the handrail in the Lower Library is too low and on the staircase leading to the Society's top floor the distance of the cast iron uprights is too wide and the handrail is too low. Once the consultants' written report has been received the Executive Secretary will discuss it with the architect. He warned that any remedial works could involve considerable expenditure.

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4.3 The Executive Secretary reported that the Royal Society of Chemistry were organising a counter-terrorism session on 13 June which 4 members of staff would attend. *Since the meeting the Royal Society of Chemistry has advised that this session has been cancelled because the number of attendees did not reach the minimum requirement of 25. The issue will be discussed at the next Courtyard Secretaries' meeting on 19 June.*

EN

4.4 It was noted that there will be a fire drill on 25 June for all Courtyard Societies. The Executive Secretary also reported that the procedures for bomb evacuation are being looked into. The bomb film on all windows has recently been renewed.

5 REPORT OF THE TREASURER

5.1 February and March Management Accounts (MFC/16/08)

The Committee noted that the accounts raise a number of concerns including an apparent drop off in Fellow subscription income, a reduction in room hire receipts (although income in March and April was better) and a significant fall in book sales. It was further noted that a considerable amount of work has been put in to trying to understand whether the February result is a one off or whether there are underlying trends which if taken together could seriously impact on the year's outturn. The Committee recognised that it had already been identified that online availability would impact on book sales but that this had happened sooner than expected.

The Director of Publishing tabled a paper (MFC/16.1/08) and gave a report on the five key factors which have so far been identified:-

- i. Markedly reduced book income due to a variety of factors including delayed publication of a number of new titles;

- ii. The auditors' decision that North American income budgeted for January should be recognised in December 2007;
- iii. Lyell Collection usage is unexpectedly high and higher than budgeted costs of operating the Lyell collection;
- iv. The re-launch of the online bookshop by the developers has not been altogether successful and there have been difficulties with the search facilities and stability of indexing;
- v. Low visibility of newly published titles within Burlington House.

A number of actions are in hand to help alleviate the situation, notably:-

- a. An additional online bookshop sale for the latter part of the year;
- b. Changes are being made to the online bookshop search mechanism to make it easier to find titles;
- c. Improvements are being made to the ways in which titles are promoted in the Society's electronic newsletter and on the website;
- d. Additional opportunities for promotion of 2007 titles being reviewed by Marketing Co-ordinator;
- e. Change to the basis on which Lyell Collection pay-per-view transactions are conducted to ensure a greater portion of revenues are allocated to the Society; and
- f. Plans are in hand to create pdf catalogues which could be electronically promoted and downloaded. Discussions are also ongoing with Google and Amazon to optimize searches for Society titles.

The Committee also noted that a Consultant has been retained to look not only at Publishing but also other areas where cross selling and marketing could be improved.

The Executive Secretary and Director of Publishing are putting together a paper identifying options against various eventualities, short and long term, and will consult as necessary with an outside consultant, John Cox. The Finance Director is looking at the VAT implications of electronic only publications. **A paper will come to the September meeting of the Management & Finance Committee.**

EN/NM

The Executive Secretary commented that savings could be made by reducing expenditure on, for example, IT equipment and by delaying the planned redecoration of the apartments. It was agreed, however, that this would not give immediate savings and may not be prudent in the long term. The Management Team is looking at areas where other savings could be made.

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The Committee asked how the Lyell Collection has been costed as a benefit to Fellows. They also referred to the comment made by a Fellow at the AGM on 4 June who asked about the indices used with regard to calculating subscriptions. The Executive Secretary replied that it would be appropriate to annually update the analysis of cost of providing Fellowship services. It was recognised that it would be unpopular to increase subscriptions on the basis of the availability of the Lyell Collection to Fellows.

5.2 April Management Accounts

The April Management Accounts were tabled. The Executive Secretary said that the accounts had not been reviewed by the management team and the commentary was not in its final form.

The Treasurer reported that they showed a better than expected income for the month coming through other income streams.

The Committee asked that investigation be made into whether it would save money to change the Society's utility suppliers.

MK

The Committee were satisfied that action was in hand and were keen to emphasise

	that it was important not to make “knee jerk” decisions.	
6.	REPORTS OF THE TREASURER’S PANELS	
6.1	Budget and Programme Committee (MFC/17/08) and Development of the Budget for 2009 (MFC/18/08)	
	The Committee noted that these are first drafts of the papers which will go to Council on 18 June. The Data Manager said he would welcome suggestions on how best to present this information to new Council members. The Treasurer said he would speak to the Data Manager outside the meeting but that it could be used, for example, to explain the different income streams. The Executive Secretary said that it is important to emphasise to new Council members that the Society is complying with what is required by the Charity Commissioners with regard to income, expenditure and the level of reserves.	NB
6.2	Investment Panel (MFC/19/08)	
	The Treasurer reported that he had not been able to attend the last meeting of this Panel due to ill health but that he had been told that there had been rigorous discussion particularly about the reasoning behind some of the sales and purchases. The Executive Secretary said that the agreement with UBS is that the minimum annual yield is £200,000 and that this will be achieved even if there is some loss in the overall value of the portfolio.	
	The President asked what the Society’s investment policy is. The Treasurer confirmed that the Society has a socially responsible investment policy but that, as Trustees, Council cannot make arbitrary decisions about what is and is not ethical. The policy also confirms that no investments must be made that would harm the reputation of the Society. The policy which was agreed by Council in June 2007 to be forwarded to the President.	EN
7.	PROGRESS AGAINST BUSINESS PLAN (MFC/20/08)	
	The Committee agreed that the grid is very useful. They noted that it will be going to the next meeting of Council and suggested that it should be a standing item at each Council meeting. It was also noted that all review groups must conclude their work and send a final report to the Data Manager by 15 August at the latest. If work is not completed and reported there will not be a provision in the 2009 Budget. A report will go to the September Council meeting so that the financial impact and any additional loss of income can be worked into the 2009 Budget.	NB
	With regard to the grid, it was noted that some of the “Council owners” are no longer members of Council following the 4 June AGM. John Ludden was suggested for item R-4 in place of Paul Henderson. The Data Manager will review all owners.	NB
	The Committee agreed that the document in its current form could go forward to Council but asked for a separate column to be added showing progress. They also asked for consideration to be given to how progress can be reported on an ongoing way. The Data Manager will review presentation and circulate to Committee for comments.	NB
8.	STAFF CHANGES (MFC/21/08)	
	The Committee noted that Stephanie Culver had joined the Society as PA to the Executive Secretary and that Darren Prewer had joined the Society as Data Clerk in the Fellowship Department.	
9	ANY OTHER BUSINESS	

9.1 Regional Groups

Is there a policy concerning the level of funds that regional groups can hold? The Executive Secretary replied that there would be concern if this were more than £2,000/£3,000.

9.2 Petroleum Group

What happened about the Petroleum Group and its request for more control? The Executive Secretary reported that it had proved difficult to set up a meeting with the Chair of this group. However, this has now been arranged and their constitution will be discussed.

9.3 Room Hire

The Finance Director commented that it would be helpful to have more activity from the corporate sector which could then be put through the trading company.

9.4 Geologists Association

The Executive Secretary reported that he has spoken to Bernard Leake, who remains Treasurer of the GA, following the decision to move publication of the Proceedings to Elsevier. He advised BL that the discount for the use of rooms at Burlington House will not continue through 2009 and that they will pay the Earth Science rate. The Executive Secretary further reported that an exercise will take place to look at the cost of providing the GA with space at Burlington House. Depending on the outcome of this exercise, the Executive Secretary may wish to circulate the information to this Committee.

10. DATES OF FUTURE MEETINGS

4 September, 11 November, 14 January and 1 April (please note that this has moved from 25 March)

Martin Culshaw gave his apologies for the 4 September 2008 meeting.

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