

**MANAGEMENT AND FINANCE COMMITTEE**

**Minutes of the meeting held 11 November 2009**

PRESENT: L Frostick (Chair), I Bartholomew, B Lovell and A Law

APOLOGIES: P Allen, A Fleet, E Derbyshire, D Manning, S Marriott, G Tuckwell and J Turner

With: E Nickless (Executive Secretary), N Bilham (Head of Strategy & External Relations), M Kyriakides (Finance Director), N Marriott (Director of Publishing), and S Culver (PA to Executive Secretary)

1. APOLOGIES

Apologies had been received from P Allen, A Fleet, E Derbyshire, D Manning, S Marriott, G Tuckwell and J Turner

2. MINUTES OF THE LAST MEETING HELD 16 SEPTEMBER 2009

These were agreed.

3. MATTERS ARISING

3.1 *GAIA: Earth Systems Science Group*

A meeting was held on 7 October 2009 attended by Susan Canney, Tim Lenton (by telephone), Edmund Nickless and Nic Bilham. It was proposed that there will be a two-day meeting on a topic which will be attractive to G:ESS members, GSL Fellows in other Specialist Groups and to others in the wider geosciences community. This meeting will be badged as a Geological Society meeting. It was noted that Susan Canney will raise with the G:ESS committee whether it would be timely to drop the word GAIA from the name of the group, recognising that there are sensitivities involved.

3.2

*Library Review*

The Committee noted the draft terms of reference and the possible membership of the group which will undertake a fundamental review during the first part of 2010 of Library acquisitions to inform the development of the budget for 2011 and subsequent years. The proposal will go to June 2010 Council.

4. HEALTH & SAFETY (MFC/27/09)

The Committee noted that:-

4.1 There has been one reported incident since the last meeting. A member of staff at the Publishing House reported a possible pulled muscle in her back whilst changing a light bulb. An accident report was completed and the incident was followed up by the Health and Safety Officer. The person suffered no long term effects and the back pain was thought to be a muscle spasm which had now settled down. No medical attention was required.

4.2 The Facilities Administrator is awaiting a date for the fire risk assessment at

Burlington House which will be carried out by BBi Alternative Solutions. The Fire risk assessment at the Publishing House has been done.

4.3 Three more members of staff at Burlington House will be attending the Counter Terrorism course.

## 5. REPORT OF THE TREASURER

### 5.1 *September Management Accounts (MFC/28/09)*

The Committee noted that book sales income and sales of back list books are ahead of budget. There had also been a further windfall income from PGC7. The year end projection is currently £175k ahead of budget.

### 5.2 *Remuneration Panel (MFC/29/09)*

Please see separate confidential annex.

### 5.3 *Investment Panel (MFC/30/09)*

The report of the Investment Panel meeting held on 2 November was noted by the Committee. The Executive Secretary advised that the principal item of business at the meeting was to look at the construction of the portfolio. The hedge funds are being liquidated and the proceeds directed to increasing the holding in equities and corporate bonds. The Society's investment managers had presented four options and that favoured by the Panel had the highest yield at 5.10%. The following amendments to this option had been suggested:

- Reduce the range on Fixed Interest from 65% to 55%
- Increase the range on UK Equity from 30% to 35%
- Retain Private Equity at 5%
- Add Property at 5%

It was thought that with these adjustments the total yield would be in the order of 4.95%.

The investment managers had been asked to prepare a revised proposal incorporating the suggested changes with a list of proposed stocks in which to invest the returns realised from the sale of hedge funds. This list has been received and is currently with the members of the Investment Panel for comment. The amount realised from the sale of the hedge funds will be about £600k and the proposal is that this amount is invested in 3 lots of £200k.

The investment managers have suggested that investment income would fall from £120k in the current year to £110k next year against a target of £200k. With the reconfiguration of the portfolio they have agreed to a target of £130k in 2010.

## 6. BUDGET FOR 2010 (MFC/31/09)

In the absence of the Treasurer, the Finance Director presented version 3.2 of the draft budget for 2010. This draft incorporated further work done by the management team and the increased target for investment income recently agreed with the Society's investment managers.

The pages presented were the summary Statement of Financial Activities (SOFA) showing the core budget along with the effects of Projects and Business Plan

expenditure and detailed sheets for Projects, Business Plan and Capital Expenditure. Two additional pages will be presented to Council on 25 November:- firstly, an analysis of how each income stream might differ from the most likely case in best case and worst case scenarios and, secondly, a calculation of the impact on the Society's free reserves in each case. The updated version of the free reserves sheet will show that the free reserves are expected to remain within the £800k - £1.2m range agreed by Council even in the worst case scenario.

The draft budget did not include two items on which staff had been asked to do further work which were the continuation of the grant to Rockwatch and discontinuing Sue Bowler's retainer to work on *Geoscientist*. Council had also previously considered the appointment of an archivist on a part-time basis as desirable but unaffordable. Given the recent ahead of budget performance and changes to other aspects of the budget which have resulted in a net reduction in the expected overall deficit, the Committee were asked to discuss this bid the cost of which is estimated at £15k per annum.

The Committee agreed to commend the draft budget to Council for approval at its meeting on 25 November and to recommend that the grant to Rockwatch should be continued at the level of £5k per annum for three years; that Sue Bowler should be contracted on a commissioned article basis at a maximum cost of £4k per annum; and that a part-time archivist should be appointed at a cost of £15k per annum. With regard to the last point it was suggested that continued funding of this appointment may be possible through sponsorship.

The Committee queried whether the projected free reserves are within the limits set by the Charity Commissioners and information on this will be included in the paper to Council.

## 7. STAFF CHANGES (MFC/32/09)

The Committee noted that:-

- Edith David, Management Accountant, is leaving the Society to join the UK branch of the Commonwealth Parliamentary Association in Westminster as Assistant Secretary - Finance. The Treasurer has met with the Finance Director, the Executive Secretary and the Assistant Accountant to discuss possible changes in the structure of the department before making a decision on seeking a replacement.
- Alison Douglas, Fellowship Services Manager, is leaving at the end of the year to take up the post of Registration Officer with a new organisation, the Association for Nutritionists. A replacement will be sought.
- Georgina Worrall, Conference Manager, has been appointed the designated person in the management team with responsibility for the oversight of marketing activities across the Society.

## 8. ANY OTHER BUSINESS

### 8.1 *Corporate Affiliates*

Iain Bartholomew, Vice President with responsibility for Development & Fundraising, reported that the number of new corporate affiliates is less than last year. The current levels of annual membership fees are:

Small company (less than 25 employees):	£650
Medium company:	£1300
Large company:	£5200

Two proposals have been discussed:

- Introduce a new rate of £2500
- Introduce an “opening offer” discount for the first year’s fees

The above proposals were agreed and it was suggested that a 50% reduction should be offered for the first year.

It was also agreed that Iain Bartholomew will make a presentation to Council at their April meeting and in particular will ask Council members for their suggestions of who to target for corporate affiliation.

## 8.2 *Sponsorship*

Iain Bartholomew said that the list of sponsorship items must be prioritised. The Head of Strategy and External Relations said that this matter will go to November Council for an initial discussion but that the main discussion will be held during the January residential meeting.

## 9. DATE OF NEXT MEETING

31 March 2010