

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COUNCIL OF THE SCOUT ASSOCIATION HELD ON SATURDAY 2 SEPTEMBER 2017 AT GILWELL PARK, CHINGFORD, E4 7QW

Present:

Tim Kidd – UK Chief Commissioner
Gordon Boyd – TSA Treasurer and Trustee
Matt Hyde – Chief Executive and TSA Trustee
Hannah Kentish – UK Youth Commissioner and Trustee
Ann Limb – Chair of the Board of Trustees
Members of the Council – 129
Guests and Observers – 79

1. Welcome and Introductions

Deputy UK Youth Commissioners Mr Frankie Smith and Mr Jagz Bharth, welcomed and thanked all Council members for attending the Annual General Meeting.

Mr Smith introduced to the Council the Chair of the Board of Trustees, Dr Ann Limb, who explained that 2017 had been a very good year for Scouting and thanked all Scouting volunteers for their huge efforts to support Scouting. Dr Limb noted that the Association was growing in membership and becoming ever more inclusive, both in terms of what we look like as an organisation and where we operate. She noted that this year we had seen the centenary of Cub Scouting.

Dr Limb advised the Council that the Association had been shortlisted in three categories in the Third Sector Awards – Charity of the Year, Celebrity Charity Champion (for Bear Grylls) and Communications Campaign of the Year for Cubs100. Dr Limb explained that she was proud of the contribution Scouting is making to help young people develop the skills they need to succeed, and also proud of the contribution we are making to help create a more generous, optimistic and compassionate society.

2. Review of the Year

The Chief Executive, UK Chief Commissioner, and UK Youth Commissioner separately welcomed all to the AGM and highlighted key events throughout the year. The Chief Executive announced an amazing year highlighting, in particular, Cubs100, the Duchess of Cambridge's visit to a group in Norfolk, Cubs100 Ambassador Steve Backshall hosting a parliamentary reception, the Royal Mail stamping the Cubs100 logo on millions of letters and thousands of local promise parties across the country.

The UK Chief Commissioner explained that we had celebrated our 12th year of growth, we are becoming more inclusive, now operating in 460 more of the UK's most deprived areas, bringing Scouting to those who need it most. We have had a great Cubs100, recording our biggest ever growth in volunteers and also continue to deliver our community impact campaign, A Million Hands, offering social action opportunities for 230,000 of our young people.

The UK Youth Commissioner highlighted the Moot in Iceland, the recent Bear in the Air expedition and the fantastic international camps that had just taken place in Northern Ireland, Lincolnshire and Kent.

Four teams made up of a member of Team UK and a young person from each of the Nations shared the key achievements of the areas of the strategic plan: Growth, Youth Shaped, Inclusivity and

Community Impact. All AGM attendees were assigned to one of the teams and were asked to note down some local successes in those areas (some were later shared during the meeting).

i) Growth: Deputy Chief Commissioner Mark Tarry
Abi Collier, Deputy County Commissioner, Greater London North

Mr Tarry explained that success of the Movement can be measured in many ways, but growth is always one of the clearest markers. Scouting succeeds when we offer opportunities to as many young people as possible. Key to that growth is recruiting enough adult volunteers to support that. It was explained that the real driver is that we attract new members by opening sections close to where people live and offering programmes that parents at school gates think is good – local reputation driven by good programme.

Mr Tarry explained that we said that we wanted 150,000 adult volunteers by 2018. That figure, as of 2017, stands at 154,000. It was also our 12th consecutive year of growth. Adult leadership – our front line section leaders and section assistants - is up by 6.5%,

Miss Collier reported that Scouting had reached another milestone this year with female youth membership growing by 6% to 100,000. Following Cubs100, we saw an increase in Cub numbers of 1.3%. We now need to build on that success by continuing to offer fantastic programmes, including opportunities for night's away, outdoor adventure and to obtain the Chief Scout's Silver Award.

Mr Tarry added that we also need to support those Groups who are, for whatever reason, missing a section. We also need to make sure that sections are operating at capacity. We have 7,238 Groups. From those Groups we are missing some 1300 Sections. If those existed at an average size we would have 24,500 more members.

The Council noted that Young Leaders have increased by 11%. It was explained that we continue to take great pride in our Young Leader's Scheme providing opportunities for young people to gain leadership and volunteering experience while making a great contribution to programme delivery.

Mr Tarry explained that we know that new adult volunteers come from two primary sources: from Explorers being retained at 18 and taking on leadership as well as Network roles and from former members when they come back wanting their children to join. Therefore increasing the number of Young Leaders will not only increase our Explorer numbers, it will improve programme delivery immediately and lead to long term adult numbers through retention.

The Council's attention was drawn to the new Growth Grants that are available centrally from the Scouts Grants Committee. Mr Tarry announced that after a short pause the future growth fund is available. Similar to the Larger Development Grants that were previously available, they can help to part fund a Growth and Development Officer for up to 3 years working locally to grow Scouting by opening new provision, especially in under-represented communities.

ii) Inclusivity: Amir Cheema, UK Commissioner Adult Support
Euan McFadzean, South Leader and Member of the Scottish Youth Parliament

Mr Cheema reported that Inclusivity has been a huge focus this year. While we still have so much further to go, we are welcoming members from every part of society. Some 27% of our membership is now female, and thanks to great focus in our communications and media the message that Scouting is for girls as well as boys is finally getting through to the wider public. The Muslim Fellowship is still growing strongly, with more than 5,000 members. We also have Sikh, Hindu, Jewish and thousands of mixed groups.

Mr Cheema explained that inclusivity is a wide area and constantly changing in its definitions, challenges and opportunities – which is why an Inclusivity Advisory Group had been established, this is made up of volunteers as well as subject experts. They are guiding TSA in this area, supporting Scouting with this important work.

Mr McFadzean reported an increase in numbers of members from minority communities and Scouting was represented at Pride events across the country. The Council noted that 178 sections had been opened in areas of deprivation, which means we are offering Scouting in 460 more of the UK's poorest wards since 2014. The public perception of our diversity is steadily growing too.

We have recruited a great team of Scout Ambassadors – including Countryfile presenter Anita Rani, alongside Ellie Simmonds, Megan Hine, as well as Steve Backshall and Helen Glover. They are helping us recruit more members from a wider range of backgrounds.

The Chief Executive explained that it is important we keep our focus on inclusivity – which will be a key part of the new strategic plan.

**iii) Youth Shaped: Frankie Smith, Deputy UK Youth Commissioner
Gareth Jones, Acting Area Commissioner, Ceredigion**

Mr Smith explained that at every level we are offering opportunities for young people to create the sort of Scouting they want to take part in. A major step forward has been the appointment of 139 District and County Youth Commissioners who are driving this change locally. Just as significant is the uptake of the revamped Sixer and Patrol Leader resources.

Mr Jones reported that there is now a wider Youth Commissioner Team, with Frankie Smith being appointed as a new Deputy UK Youth Commissioner and four new assistant UK Youth Commissioners whose role remits reflect the four areas of the youth shaped Scouting strategy: Programme, Leadership, Management and Governance. At a national level it is important to note that 25% of our trustees are now young people (18-25).

YouShape events have been held across the UK, attended by young people, and they've generated ideas about how to improve Scouting. For the first time the YouShape campaign was held for an entire month, allowing more time to plan it into the Scouting programme. The Wear Their Necker initiative was launched, allowing young people to take on leadership roles in Scouting.

**iv) Community Impact: Craig Turpie, UK Commissioner for Programme
Rhiannon Wells, Youth Commissioner for Northern Ireland**

The UK Chief Commissioner congratulated Mr Turpie who had recently been elected Chairperson of the World Scout Committee. He is also the first person from the UK to hold this role since John Beresford in 1988. To concentrate on his new role, Mr Turpie will be standing down this weekend from his role as UK Commissioner for Programme, the UK Chief Commissioner thanked him for the huge amount of work that he had undertaken to drive our programme forward.

Mr Turpie explained that since the launch of A Million Hands, our social impact campaign, over 7,200 sections from 4,400 Scout Groups had registered, meaning that 230,000 young people had had the opportunity to take part in social action. Over 500 projects have been successfully delivered, which is making a real impact on the ground.

Miss Wells added that when we had conducted our annual survey of adult members we found that the number of Scout Groups delivering community impact had risen by 8% this year. She thanked all of

the leaders who are supporting this work. Mr Turpie explained that he thinks the campaign is delivering for two reasons – firstly that it is embedded in the programme, with opportunities for young people to do it as part of their termly programme rather than something extra and secondly, because of strong partnership working. A number of partners came on board to provide the expertise and support needed to help us deliver these opportunities for social action. This great teamwork was recognised when the campaign won ‘Cross–Sector Partnership of the Year’ at the Charity Times Awards 2016.

As a measure of the campaign’s success this year, 66,000 Community Impact badges were earned and there are now 14,000 Scout Dementia Friends. Over 1,000 pieces of media about A Million Hands were generated reaching over 90 million people.

The Chief Executive reported that we have relaunched our Scout Ambassador Scheme this year and have appointed some great new Ambassadors changing public perception of Scouting. Ed Stafford will join us this afternoon delivering the key note address to Reunion.

3. Apologies

The UK Chief Commissioner advised the Council that our President, The Duke of Kent, very much regrets that he cannot be present. However he had written to the Association and wishes us well for the coming year. In addition, our Chief Scout is unable to be with us. He therefore proposed that the Chair of the Board, Ann Limb, chairs the AGM and this had been seconded by the Chief Executive, Matt Hyde. The Council approved the proposal, with no votes against and no abstentions.

Dr Limb thanked members of Council and welcomed everyone to the AGM, she extended a warm welcome to our Vice President in attendance, John Beresford. Apologies from 23 members of the Council had been received.

4. Minutes of the AGM held on 3 September 2016

The Minutes of the Annual General Meeting of the Council of The Scout Association held on 3 September 2016 were approved and signed.

5. Annual Report and Accounts

Dr Limb reported that, in accordance with the Bye Laws, the Annual Report and Accounts had been formally approved and adopted by the Trustees before presentation to the Council. The Report was not required to be formally adopted by the Council. However the Report must be presented to the Council and Members continue to be entitled to ask questions on its content.

Treasurer’s Presentation

Mr Gordon Boyd, TSA Treasurer, reported that since we had last met in September 2016 we have continued to make excellent progress against the strategic objectives set out in our 2014 - 2018 strategic plan, and have been consulting widely on the next plan which will take us to 2023.

From a financial perspective we continue to remain in good health with adjusted free reserves being maintained broadly in line with last year and in compliance with our reserves policy.

Mr Boyd thanked our grant funders (such as the Youth United, Jack Petchey and the Pears Foundations), our corporate partners (such as Tesco, the RAC Vodafone and Go Outdoors), individual funders (such as our Fellows and Life Friends) for their ongoing support as well as the general public, the money from whom all goes towards helping young people develop skills for life.

a) Income

Total income received last year was £32.7m, of which £1.6m was restricted. To enable a like for like comparison we need to exclude £10.8m of income included in the previous year relating to the World Scout Jamboree. On this basis, year on year income was broadly flat at £32.7m versus £32.6m. Although the total income was broadly flat, the numbers mask what was an impressive year for our trading activities. At £10.5m this was only £200k lower than the previous year despite the previous year's retail sales benefiting from around £1.5m of additional income related to the Jamboree.

Income from our charitable activities included income from activity centres, Baden Powell House, Gilwell Park and insurance commissions. Ignoring Jamboree income, income from charitable activities was £8.9m compared with £8.6m on a like for like basis with the £300k increase largely coming from our insurance business.

Donations, legacies and similar income was down 12.5% at £21.1m compared with £24.4m raised in the previous year. The majority of this income stream continues to be restricted income that is designated by the donor for a specific purpose. This accounted for £1.5m out of the £2.1m total. The restricted income we received at the centre enabled us to continue to provide grants for development work in deprived areas and support our future work in schools.

Investment Income is now a relatively small part of the overall total as we have reduced our reserves to be in line with our reserves policy and investment yields across all asset classes continue to remain low by historic standards.

Net Income: Mr Boyd advised that there is was unrestricted net income of £17.3m. Contributions from our insurance business and profit from Events and Conference Centres each comprised 6 % of the total. Profits from Scout Shops contributed a further 19% in what was a strong year of trading. However, membership subscriptions continue to be our largest source of unrestricted income at around 62% of the total and brought in just under £10.5m.

b) Membership Fees

Mr Boyd reminded members that we had changed the method of collecting membership subscriptions with only young people under 18 years now required to pay subscriptions to HQ. No charges are levied in response of volunteers.

2016/17 was the first year using the new methodology, this change in the way we collect our fees did not result in any increase in total income received by the Association. With £15.5m collected in 2016/17 versus £15.4m collected in the previous year, the increase in fee income was solely due to an increase in youth membership.

For the current financial year (2017/18) fees were increased by £1, the first increase since June 2011. The trustees had agreed a 50p increase for the next financial year commencing 1 April 2018, to £26.50 (assuming prompt payment) per young person.

Trustees are fully aware of the impact of the economic challenges which a large number of members continue to face and have sought to limit the increase as far as possible.

c) Spend on charitable activities

The services which The Scout Association provides to the Movement continue to face considerable cost pressure.

The project management group framework implemented last year is now embedded. A Portfolio Management Group comprising Trustees, senior volunteers and key staff, prioritises and monitors

strategic programme and projects on behalf of the Board and ensures tight cost control and that project milestones are met.

During the year, and following extensive staff consultation, a review of pay and benefits was completed and implemented with a view to making our salary bill more sustainable for the future.

The financial activities summary in the Annual Report shows that our largest area of expenditure is related to charitable activities at £26.5m out of a total spend of £33.8m. After adjusting for the impact of the Jamboree in the previous year, spend was £1.7m lower. Savings were achieved partly through our initiative 'Save it for Scouting' and included items such as reducing the number of magazine issues and the pay and benefits review affecting Headquarters staff which helped to reduce overheads, whilst continuing to maintain and even increasing spend in front line services such as safeguarding and the Information Centre.

The Treasurer advised that TSA incurred an additional £7.3m of expenditure in addition to the £26.5m relating to charitable Activities, taking total spend for the year to £33.8m. This additional spend related to the costs associated with supporting our retail activities, fund raising and governance.

Total income generated in the year was £32.7m and therefore after deducting total expenditure of £33.8m, the operating loss for the year was £1.1m.

d) Reserves

The Treasurer referred to pages 32/34 of the Annual Report which summarised the consolidated financial results of the Association. In the Statement of Financial Activities we show an overall reduction in total reserves (unrestricted and restricted) of around £2.2m, to £39.3m. In summary, this reduction is largely due to the £1.1m operating loss for the year previously discussed and a £1.8m actuarial loss on the defined benefits pension scheme, partly offset by a £0.8m valuation gain on investments.

Despite this year-on year reduction of £2.2m to £39.4m, the total value of reserves remains substantial.

Free reserves have increased to £13.3m in a year where we have generated a £1.1m operating loss and the pension deficit has increased. The reason for this is that the £13.4m includes £3m of cash being held in advance of a payment to be made this month to the pension fund in order to reduce the deficit. £2m of this has come from a special dividend made by our insurance subsidiary and the realisation of a £1m bond.

Adjusting for the £3m, the results in free reserves of £10.4m, is broadly similar to the previous year. This remains slightly above our target level of £10m, which is roughly equivalent to 6 months of the Association's expected unrestricted spend.

The Pensions Reserve (11.8) related to the Association's defined benefit scheme, which is closed to new members. For the purposes of the accounts, the assets and liabilities of the pension scheme are revalued each year.

The Pension scheme deficit, which is calculated using accounting rules, does not in itself trigger a requirement to make any additional payments into the Scheme. Payments into the fund are determined following an actuarial valuation undertaken on behalf of the pension fund trustees every three years.

As anticipated, the most recent actuarial triennial valuation moved closer to that calculated by the accountants with the actuarial deficit increasing from around £5m to over £9m. This required us to agree a deficit reduction plan with the pension fund trustees. As a result it was agreed to make a one

off payment of £3m into the fund this month, with an additional £2m due over the next 3 years, to be funded from the sale of surplus assets.

e) Challenges ahead

The Treasurer highlighted the key financial challenges:

- To create a financial model that will enable the Association to be both financially sustainable and manage its key risks
- To maintain our reserve levels in line with our reserves policy and in support of our charitable objectives
- To continue to obtain value for money from our business, assets and activities, for the benefit of our membership
- To invest in new initiatives that will contribute to the growth and development of Scouting for the coming years and in support of our strategy

In summary, the Treasurer reported that the finances of The Scout Association are, and will continue to be, in good shape, but there will continue to be challenges along the way.

The current governance structure has enabled a comprehensive monitoring of our finances and associated risks throughout the year – all underpinning our efforts to spend our money wisely and to focus on delivering the strategic objectives agreed by the Movement.

The Treasurer thanked his colleagues on the Finance Committee for their assistance in this monitoring over the last year. In addition he thanked the Finance team led by Yvonne Smithers, CFO, and Mark Webb, Head of Finance, for their work in preparing the accounts and for keeping control of the finances during the course of the year.

The Treasurer, on behalf of the Board of Trustees commended to Council the 2016/17 Annual Report and Accounts.

6. Elected Members of the Council

On the proposal of Mr Howells seconded by Ashley Russell, both Members of the Board of Trustees, the Council approved unanimously the election of the following Elected Members of the Council for a period of three years 2017-2020

Former Treasurer*	Lord Mark Fitzalan Howard
Representative nominated by the Chair, Michael Bracey. National Youth Agency*	Natalie Smith (Trustee, National Youth Agency)
President, Welsh Scout Council*	Currently Rudi Plaut, CBE
Debra Morris+	Scout Association Trust Corporation
Ian MacKenzie+	Scout Association Trust Corporation
Paul Weeks+	Scout Association Trust Corporation

* Denotes Members who are seeking re-election.

+ This denotes new members of the Scout Association Trust Corporation (SATC). The SATC constitution requires that all members should be elected to the Council of The Scout Association.

7. Appointed Member of the Board of Trustees: Gordon Boyd

Dr Limb asked Mr Gordon Boyd to leave the meeting for this item.

Dr Limb informed the meeting that Mr Gordon Boyd's term as Treasurer comes to an end at this AGM. The Council noted that the Board of Trustees unanimously agreed at their meeting in July 2017 to propose that Gordon Boyd be appointed Treasurer for a further three-year term, 2017-2020.

Mr John Kennedy on behalf of the Board proposed the appointment of Mr Gordon Boyd as Treasurer for further term of three years from 2017-2020. Mr Gareth Davies seconded the proposal. The Council voted unanimously in favour of the proposal.

Mr Boyd re-joined the meeting. Dr Limb was delighted to congratulate him on his reappointment as Treasurer of The Scout Association for a 3 year term until 2020 AGM.

8. Elected Members of the Board of Trustees

Dr Limb advised the Council that this year the call for candidates from the electoral colleges of England North, England South and North Ireland resulted as follows:

- One vacancy and four candidates for the England North Electoral College
- One vacancy and ten candidates for the England South Electoral College
- One vacancy and two candidate for the Northern Ireland Electoral College

Details of all candidates were sent to Council members at the end of July and voting was held online.

The successful candidates were:

- **England South – Matt Mills**
- **England North – Sue Harris**
- **Northern Ireland – David Branagh**

All were duly elected for the period 2017-2020, subject to them remaining a Member or Associate Member of the Association.

9. Elected Youth Member of the Board of Trustees

Dr Limb advised the Council that there was one vacancy and 4 candidates for the role. Year on year the Association is seeing more candidates wishing to become Youth Trustees. Dr Limb explained that the Association wants to make this process as positive as possible, even for those who are not successful in being elected on this occasion to harness their enthusiasm and continue their development as volunteers within Scouting.

Candidates' details were sent to Council members at the end of July and voting was held online.

The successful candidate was:

- **Youth Member – Ashley Russell**

Mr Ashley Russell was duly elected for the period 2017-2020, subject to him remaining a Member or Associate Member of the Association.

10. Byelaw Amendments

Dr Limb advised the Council that we have received an amendment to the proposal to amend the Bye-laws. Dr Limb drew the Council's attention to Item 12 in scheme 2 of the paperwork which reads as follows: 'in Bye-Law 22(d), delete 'Either the Chief Scout or a Deputy Chief Scout if any appointed but not both' and insert 'The UK Chief Commissioner and'. Dr Limb explained that it was felt that this required further consideration and, in line with our governance procedure, we will refer this one element of the proposal to the Nominations and Governance Committee. For that reason members were asked to vote on the amendments with the exception of item 12. Consideration of item 12, will therefore, be referred to the Nominations and Governance Committee and will be brought back to Council in due course. No further proposed changes had been notified.

Council members had received details about the proposed amendments to the bye-laws. These are proposed in line with the aim of securing greater youth engagement through increased youth membership of the Council. Minor amends have also been proposed to update some of the language used.

The Council unanimously approved the proposal.

11. Any other business

Dr Limb advised the Council that the Nominations and Governance Committee will be proposing some changes to the Composition of the Board of Trustees and to the method for appointed and electing trustees.

The Charity Commission has recently issued the new Charity Governance Code and the size and composition of the TSA Board size has been reviewed in the light of that new Code. We have therefore sought how to improve effective and efficient decision making and ensure that the Board has the appropriate balance of skills, diversity and experience needed to oversee a large, complex, modern day charity. Dr Limb added that it is critical, in an environment where charities are under increased public scrutiny, that we have the best possible trustees to provide the necessary scrutiny, challenge and support of senior staff and senior volunteers.

To that end we are exploring ways in which we might reduce the size of the Board (which currently numbers 20) and to review how we might select Trustees in the future. We know governance changes can often cause a lot of discussion and challenge, and so want a thorough consultation with Council members on all of the proposed changes, more detail on the proposals will be received by Council members in November. Depending on the outcome of that consultation we would consider putting any proposals for change to the 2018 AGM. All Council members were encouraged to participate in the consultation.

There being no other business the Chair thanked Members of the Council for their attendance and formally closed the meeting.

Following the close of the Annual General Meeting, Presentations were undertaken: Mr Nigel Hailey and Miss Fiona Durant received thanks and a gift following the end of their term as Trustees. Unfortunately Mr Colin Lammey was unable to attend the AGM therefore a gift will be sent to him.



