

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE COUNCIL OF THE SCOUT
ASSOCIATION HELD ON SATURDAY 5 SEPTEMBER 2020
VIA ZOOM¹**

Present at Gilwell Park, London (as the agreed 'place of meeting')²

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| Ann Limb | Chair of the Board of Trustees |
| Matt Hyde | Chief Executive and Trustee |
| Tim Kidd | UK Chief Commissioner and Trustee |
| Ollie Wood | UK Youth Commissioner and Trustee |
| Gordon Boyd | Treasurer and Trustee |
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| Ross Maloney | Chief Operating Officer |
| Margaret Giles | Company Secretary |
| Laura Rooke | Quality and Compliance Manger |

Members of the Council – 135 in attendance

Guests and Observers – 23 in attendance

1. Welcome and Introductions

Dwayne Fields, Scout Ambassador, welcomed everyone to the Annual General Meeting, reminding Council members that the AGM would be recorded and would be available on the Scout website later that day.

Dwayne drew attention to the kindness and courage witnessed this year from Scouts and volunteers, as well all the inspiring ways members had worked together – hiking to the moon, running meetings on Zoom and getting together at the Great Indoors Weekender. Dwayne emphasised that we needed to learn from the last year, while keeping hold of the good things.

Dwayne noted that the Black Lives Matter protests had also made the Association reflect on its values, history and future and encouraged Scouts to keep learning the lessons of the past, and continue working together to make society fairer.

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In accordance with Bye-Law 7 of the Bye-Laws of the Charity, notice was given that an annual general meeting of the members (the "Council") of the Charity will be held at the following address: Gilwell Park, Chingford, London E4 7QW on Saturday 5 September 2020 for the purposes set out below. In accordance with the government's social distancing guidelines as a result of the Covid-19 pandemic, Council members are requested to attend the meeting virtually by registering for virtual attendance prior to the meeting.

² Regulations for virtual attendance and voting at Council Meetings: TSA shall endeavour to ensure that every Council meeting has a primary physical location at which at least two Council members shall physically attend the meeting; however, in exceptional circumstances TSA may decide to facilitate a Council meeting using only electronic attendance.

The pandemic had also meant thinking differently and doing things in different ways. Including how we held this year's AGM; this would be the first AGM held digitally in the Association's 114 year history.

A special video message from the Association's President, The Duke of Kent was shared.

2. Council vote to adopt regulations for governing this meeting

Tim Kidd, UK Chief Commissioner thanked Dwayne Fields and advised Council members that there were a few legal and technical areas to address before the Review of the Year. As explained in the pre-meeting email, the AGM was by necessity being held digitally this year. Council members therefore needed to vote to adopt regulations which would govern how the rest of the meeting would operate, as well as how Council members would be able to cast electronic votes on the business of the meeting. The UK Chief Commissioner advised that the Council were empowered to adopt such regulations by Bye Law 17, which would ensure the meeting was legally valid. Members were asked to vote in advance to indicate approval of the regulations; 99.6% of those who voted indicated their approval, which required formal ratification. Members present were asked to turn their cameras on at this point in order to vote to adopt these regulations.

In order to demonstrate compliance with the Bye-Laws, the decision on whether to adopt the electronic voting regulations needed to be approved by at least 35 Council members (i.e. a quorum) voting by a show of hands. The Council unanimously **APPROVED** the adoption of the regulations and continued to progress the meeting in line with the agenda.

Prior to the AGM, Council members were also asked to indicate their approval in regards to the chairing of the meeting. Unfortunately The Scouts' President, The Duke of Kent and the Chief Scout could not be present. The Board of Trustees therefore proposed that the Chair of the Board, Ann Limb, should chair the AGM. Voting which took place prior to the meeting indicated that Council members supported the proposal; members were asked to raise their hands to formally ratify this decision. The Council unanimously **APPROVED** that the Chair of the Board, Ann Limb, chair the AGM.

Council members noted that there would be a Q and A session at 2pm, allowing time for a break after the AGM. The UK Chief Commissioner asked that Council members wait to submit any further questions until the AGM was complete, using the chat function either during the break or during the session.

Tim Kidd introduced the Association's Chair, Dr Ann Limb.

Ann Limb expressed sympathy for every person affected by the pandemic, understanding that it had had a devastating impact on families, including Scouting families across the country. Dr Limb also expressed sincere thanks to all the NHS staff and key workers who have worked so tirelessly during this time.

Dr Limb explained that the pandemic had impacted on Scouts, with fewer meetings and activities taking place since March 2020. There had also been serious repercussions on the Association's finances and its ability to operate. The UK Chief Commissioner and Chief

Executive would provide more information about the steps being taken to address this. First and foremost, Dr Limb wished to thank volunteers for the way they had responded to the crisis, demonstrating their generosity, practicality and determination. While it would take time, the organisation would recover because of the determination of Scouts. At this point the “Scouts Made Me” ambassador video was shared with Council members.

Dr Limb welcomed back Tim Kidd, UK Chief Commissioner, and Matt Hyde, Chief Executive to provide the Review of the Year.

3. Review of the Year

The Chief Executive thanked Dwayne Fields and Ann Limb and noted that the past year had been incredibly tough. Despite heroic efforts from volunteers running Zoom calls, face to face meetings were lost for part of the spring, and all of the summer terms, which had been very hard for young people. Our research shows that two thirds of 14-18 year olds say the crisis has had a negative impact on their mental health. Matt Hyde explained that Scouts was vital for helping young people maintain a sense of connection, of belonging and wellbeing with the crisis demonstrating the critical role that Scouts played in young people's lives.

The Chief Executive explained that it had been a year of change, not least in terms of digital transformation. The progress in the past six months was astonishing – from record breaking Zoom calls to delivering the programme, campaigns and events online. Moving forward, the Association would be taking a blended approach, where digital would support, facilitate and complement ‘real world’ activities.

Mr Hyde noted the impact of the wave of global protests after the death of George Floyd in the United States, with the Association firmly committed to ensuring racial equity and reflecting on our values, our approach and how we can do better ourselves, which would be presented on later at the meeting.

Mr Kidd expressed that in many ways, it had been both one of the Association's worst and best year's all at the same time in terms of reimagining the programme and reinventing the delivery of our meetings. During this time volunteers had continued to raise their game, with over 80% of groups delivering sessions online.

Mr Hyde agreed that the Association's volunteers had been magnificent and also paid tribute to staff, who continued delivering services and supporting members from home. Furthermore, the quality of the staff team was recognised this year by the award of Investors in People Gold; we worked together to achieve this and our culture as an organisation was stronger than ever.

However, Council members were advised that some incredibly tough decisions had to be taken due to the severe financial impact on the Association's trading and other income streams. Unfortunately, and despite furloughing over 56% of our staff, the Association had begun consultation with staff to reduce headcount. The Chief Executive took time to thank all staff for their service to the movement.

The Chief Executive emphasised that there had been good news, despite the challenges. In April we launched Hike to the Moon and in the end an amazing 480,000 miles were hiked together – enough to get us to the moon and back. In the process, over £377,000 was raised including badge sales, which was match funded to three quarters of a million pounds. As a movement, it was the largest sum that the Association had ever raised for good causes. Mr Hyde thanked everyone who took part, and the volunteer and staff team who made it happen. The 24th World Scout Jamboree in July 2019 was also a highlight; Mr Hyde introduced the UK Youth Commissioner, Ollie Wood to provide an update.

The UK Youth Commissioner explained that 40,000 Scouts from 152 nations had taken part in the event jointly hosted by Boy Scouts America, Scouts Canada and the Scouts of Mexico. Over 100 Units and 4,000 young people and volunteers attended from the UK, supported by 60 members of the UK Contingent Team. Mr Wood expressed pride in the 750 International Service Team (IST) members from the UK who supported the event, contributing to a global movement, promoting sustainability, global peace and deeper understanding and appreciation of cultural differences. Mr Wood led Council members in congratulating everyone that took part and also thanked the volunteers and staff who supported and led the whole UK Contingent. A volunteer video was shared from Emma, an Explorer Scout, who attended the Jamboree.

The Chief Executive advised that Council members would now receive an update on the progress across each of our four strategic goals, starting with Growth.

i. Growth:

Mr Kidd explained that the membership grew this year by 0.3%, with an additional 4,000 young people aged 6-18, mostly in the Scout and Explorer sections. 896 new sections opened this year, but 776 had closed. One cause for concern is the decline in Beaver Scouts numbers by over 1,000. Our waiting lists remain relatively static with over 60,000 young people still waiting to join us. One thing remains the same this year he explained – we still need to offer great programme, we still need to offer new spaces for young people and recruit enough adult volunteers.

Mr Kidd explained that we don't know yet exactly how many young people will return as they come back to face to face Scouting. But this new term is a critical moment to see how well our groups can bounce back after the crisis. It's clear we need to work as hard as ever to both retain and recruit more adult volunteers. Our overall volunteer numbers are down 2.2%, mainly due to a reduction in manager, governance and supporter roles.

To support growth, he advised that new tools had been developed and resources on our web site, to recruit and retain new volunteers and young people, and for starting new sections. We've run a successful pilot to test and improve these tools with 40 groups across the country.

Mr Kidd emphasised that our key priority now has to be retaining young people and volunteers to make sure that groups survive. This is particularly true of the groups that

we've opened in areas of deprivation, and those most impacted by COVID-19 (such as groups in communities with more BAME members).

We'll continue to seek external funding to support targeted growth work and open new sections. We'll also be looking at new and digital ways to the support planning for growth and recruitment.

ii. Inclusivity:

Mr Cheema explained that as Scouts, we're proud to welcome all young people and volunteers into the movement, regardless of their gender, race or background. We still believe that Scouts is the great leveller and we still believe our diversity should reflect the communities we live in.

This year it was important to publically state our support for race equality and race equity. We as Scouts understand the hurt felt by some communities and individuals. It was an opportunity to restate our commitment to equality and inclusion, while reflecting on our values and acknowledging there is more to do. This is why we've developed an equality, diversity and inclusion action plan which we're now implementing.

In our strategy, we committed to supporting the UK's most disadvantaged communities. I'm pleased to say we've opened 198 sections in the 30% most deprived areas in the UK, reaching more than 3,500 young people.

Numbers of girls and women in the movement continues to rise, including 5,000 more girls, meaning we now have 117,000 female youth members aged 6–25. We also improved the way we record diversity data in the census which will help us monitor this.

Mr Cheema explained that we've also overhauled our training modules and delivered webinars to support members on welcoming those with additional needs. We developed tools to support boards and teams to become more diverse and inclusive. We now have a National Inclusion Volunteer Team to drive our action plan forward.

We're also supporting Scouting in the Muslim community with 35 new sections opening in the past year, bringing us to a total of over 6,000 Muslim members.

Over the next year, we will continue to support all members on equality and inclusion, with more resources, webinars and shared learning. We must also continue to recruit new and different volunteers, and make it easy for them to join and stay.

Mr Hyde added that we have taken some hugely positive steps forward, but there's still lots of work left to do. He explained that inclusion and equity must remain embedded in our culture, and we must approach this part of our work with humility and empathy.

Mr Hyde introduced Ollie Wood, UK Youth Commissioner, who gave an update on our Youth-shaped work.

iii. Youth Shaped

Mr Wood explained that times are tougher than ever for young people. Their education has been interrupted and there's more uncertainty in the jobs market. That's why it's so important that our young people have opportunities to gain the skills to succeed.

Shaping their Scouting experience is a vital part of this. It gives them the opportunity to step up, speak up and make their voice heard. Not only does this lead to better meetings and activities, reflecting what young people want and need, it supports their personal development too. And it also inspires the volunteers of the future.

Looking at the big picture, we're still encouraging every young person to go for their top award. Let's remember this includes a significant amount of youth shaped work.

Mr Wood was proud to report 583 local Youth Commissioners are in post – an increase of 187 in the past two years. These will have a key role in promoting the new award.

He was also proud of the steps we've taken to introduce a YouShape Award. We asked young people, Youth Commissioners and Section Leaders to give us their ideas and we're now getting ready to launch. Every Scout will be able to pick their own goal and work through the Plan, Lead and Represent segments to achieve it.

iv. Community Impact

Ms Moore explained that if ever there were a year when we needed to show our support for those in our communities, then this is it. Rhian was proud to note the difference that had been made, from the mental wellbeing campaign #3ForThree for young people, with Mind and other partners, to the Care for Care Homes project working with British Red Cross.

Ms Moore reminded Council that there's a double benefit. We're supporting people in our communities but we're also helping young people develop skills for life and gain their top awards.

The way we support this Community Impact is with our campaign, A Million Hands. And advised Council of the launch in Parliament back in November, with Tim Peake, and the Community Impact Group, and the excitement and energy that was felt in the room as the new themes and partners were launched. Ms Moore noted that it was young people themselves who chose those themes. That's youth shaped Scouting in action.

Ms Moore was pleased to report positive progress in this area. Over the last year, sales of Community Impact Staged Activity Badges rose by 25%. This builds on the initial sign up of a quarter of a million people to take part in the campaign.

Ms Moore explained that this is not about words, it's about action. We've genuinely improved lives. We've delivered nearly 100 activities and resources working with our young people and charity partners. She acknowledged the huge amount of work it takes at a National level to make these partnerships happen. It makes such a difference locally,

improving the quality of our young people's experiences. Ms Moore thanked our Million Hands partners.

Mr Hyde Thanked Rhian. He acknowledged the incredible work described and advised that we should not lose sight of why we do what we do. It's about changing lives for the better. It's about gaining those fantastic skills for life. He explained that it's so important we keep track of the impact of Scouts on young people through our Scout Experience survey, and shared some of the key stats as follows:

- Scouts are more likely to be better problem solvers
- They score higher in leadership, and are more likely to be team players
- They're more likely to give time to their communities and more likely to vote
- Significantly, our Scouts are more likely to get on with people of different faiths and cultures.

Mr Hyde invited Ollie Smith, to explain the difference Scouts had made to him over the last year in a world in lockdown. Ollie shared a video with members of the Council.

v. Protect

Mr Kidd explained that the safety of all our members remains – and will remain, our number one priority. So much so, that we've now added a fourth pillar to our strategy – Protect. It's about protecting not just our movement during this incredibly difficult time, but continuing to protect our members from harm.

Managing risk is something we do all the time in Scouts, a skill that we help our young people develop too.

Mr Kidd advised that we renewed our focus on safety this year, even before COVID-19 made its presence felt, and we improved our policies and processes. Key to this was reviewing our safety training, including the information and resources we share. It's vital that every volunteer completes this training, and that it's properly recorded. Mr Kidd explained that it's critical that each one of us understands our own responsibilities and knows where to find the information we need and expressed thanks to those who have helped to make this happen.

Mr Kidd explained that we will continue to review our safety policy each year annually and keep it in line with best practice. Our Board of Trustees will continue to receive an update on safety matters at each of their quarterly meetings. Annually, they receive a full report of the activities of the Safety Committee and a detailed overview of trends and statistics.

Let's maintain this commitment to safety. We owe it to our young people and we owe it ourselves. We're proud that safety is part of our culture, and its right we keep this at the top of our agenda.

vi. Programme

Mr Hamilton explained that we've done what we said we'd do, which is to deliver high quality, easily accessible activities to support badges and awards within our first three sections – over 800 in total. He acknowledged that this was an astonishing amount of work, and these are being used, week in and week out. The feedback has been tremendous. Mr Hamilton expressed his thanks to the volunteers and staff who've been driving this forward. This has made such an impact on the ground, making programme planning and delivery so much easier.

These activities came into their own when we used them for The Great Indoors pages, providing activities for parents and carers to try with their children during lockdown. Over half a million families across the UK accessed the activities to support home learning.

Mr Hamilton explained that we were especially pleased to launch the new Great Indoors Staged Activity Badges – our first ever for both Scouts and non-Scouts. The requirements gave young people a taste of our balanced programme and it was a good introduction to Scouts for many outside the movement.

Mr Hamilton explained that planned work had been severely impacted by COVID-19. However we are still improving functionality to make our programme planning tools even easier and more useful for our volunteers. More of this will be shared as it comes online.

Work is continuing on the roll out of ready-made programmes for Beavers, Cubs and Scouts. Our partners continue to provide strong support for our programme and add a lot of value – and we're continuing to integrate this content into our programme planning tools. Mr Hamilton thanked you to our partners for their support.

Tim Kidd explained that he was hugely impressed by the great work we're doing with our programme and in particular would like to pay tribute to the work done by volunteers and staff preparing to get Scouts back together safely.

vii. People

Mrs Sharpe acknowledged that it is our volunteers who support young people on the ground. She explained that we can provide the events, the support, the training and the infrastructure, but it's our volunteers who deliver it. We need to constantly think of ways of supporting you better, make training easier, as well as attracting new volunteers from diverse backgrounds.

Mrs Sharpe explained that a key piece of work, before the crisis struck, was reviewing the volunteer journey. A huge amount of research went into this, with two key focuses – how do we make the Scouting experience easier and more enjoyable for our volunteers? We've learnt a lot from the thousands who shared their insights.

We are looking at what other people were doing - brilliant things like Park Run and Good Gym, and all sorts of other innovative organisations. We were looking to spot trends, and see what great volunteering looks like. All this has helped us reimagine how we welcome,

support and train our volunteers, and we'll see the benefits of this over the next few months and years.

Mrs Sharpe explained that to remain relevant and truly be inclusive it was essential that we developed a clear equality, diversity and inclusion strategy, supported by our brilliant new Inclusion Volunteer Team. They're helping us deliver better training and resources and ultimately extending our reach. We should also mention the excellent work that went into our core inclusion modules and in the new autism training and resources.

We're proud to continue to bring Scouting to new and different communities, especially areas of social deprivation. However she explained let's not forget it's often these newer groups, without established premises of their own, that are made most vulnerable by COVID-19. Having made such great progress we need to do everything we can to support these groups.

The Board has now taken the decision to proceed with the roll out of Scouting for 4 and 5 year olds, but not just yet.

This was taken after close scrutiny of the 21 pilots funded by the Department of Education. As a reminder, these were all in areas of deprivation. But this wasn't just an academic exercise; we supported over 350 young people and engaged nearly 90 volunteers.

A further six pilots in London, funded by the Mercers started in October 2019. We're continuing to work on extending our reach and piloting more partner and family-led models. But in summary, we're now moving ahead with early years, but will need to think carefully about the right time to launch.

The Centre for Research in Early Childhood said that the programme we were offering to the children in the pilots is having a positive impact, supporting personal, social and emotional development, as well as communication and language. There's also considerable evidence that as we engage new families, this will help bring in new volunteers from new and different communities. Mrs Sharpe thanked Council members and the early years team who have believed in this all the way – you're the ones who've helped those 4 and 5 year olds get the best possible start in life.

Matt Hyde noted that it's incredible to think how far we've come with Early Years – taking the germ of an idea from Summit 17 and building on years of experience in Northern Ireland, nurturing it, bringing in some of the best minds in the sector to work on it. And then there was the support from our volunteers, our funders, the wave of enthusiasm and energy created by the pilots, to the place we're in now. He explained that he had been to those pilots and they were truly inspiring and thanked the volunteers and staff who've taken us this far. He acknowledged, there's a long way to go yet, and more work to do, but he genuinely believe we're making history.

viii. Perception

Ollie Wood explained that positive public perception is vital to almost every part of our work. When we present a consistent image, speak with one voice and promote our Skills for Life message, we're more visible, better understood and better supported. Mr Wood acknowledged and thanked the thousands of volunteers who have made huge efforts to update their materials and switch to our new brand. Over 90% of Counties are now on brand, and Districts and Groups are not far behind.

However because of the impact of COVID-19 we realised we had to take pressure off groups, which is why we've delayed the deadline for the switchover to our new brand to May 2021. We're continuing to offer support with the brand centre, webinars and resources and this remains important work to complete.

Not only have we been winning awards for our brand, including Gold at the Transform Awards, we also delivered a number of skills campaigns – on empathy, active listening and resilience. They've helped the public understand what we do, and generated millions of impressions for our hashtag #SkillsForLife.

Mr Wood explained that we've also been more visible than ever – not just with an expanding social media presence, and videos like the ones you've seen today, but on digital billboards across the country. We've also attracted astonishing media coverage for our Hike to the Moon, Great Indoors and Great Indoors Weekender campaigns. This is about showing the public the difference we make, proving our relevance and building trust – he advised that public perception is improving in all of these areas.

Mr Wood reflected on the movement wide consultation that took place on uniform: what we wear as Scouts – with over 26,000 people taking part. We made recommendations to the Board, who gave their approval for the next stage of the review to proceed. This is one area we've paused due to the crisis, but we'll pick this up again at the right time.

Finally, Mr Wood paid tribute to our Chief Scout and brilliant team of Scout Ambassadors, including Dwayne, who have supported us so well this year. Almost every one of them has done a Facebook Live. They've played a powerful role in changing public perception of Scouts – for example Megan and Dwayne supporting the Weekender, Tim Peake getting involved in our Hike to the Moon campaign and Ed supporting Care For Care Homes. From TV, radio, online and print interviews, they've been tireless in their support.

Mr Wood advised that Bear celebrated his 10th anniversary as Chief Scout last year – visiting over 5,000 Scouts as part of his Bear in the Air. This year, due to the impact of COVID-19, we had to make do with 'Bear on the Air' at the Great Indoors Weekender - but he was just as inspiring.

Matt Hyde explained that some of our plans continue; some of them are on hold. We must now make choices. We can't do everything – only those things that are vital – and the biggest piece of work is protecting those made most vulnerable by the crisis.

He advised of our priority which now is to recover and rebuild. And rebuild we will, learn from everything along the way. He advised that by working together, we will see a

resurgence of Scouting. We'll emerge better and stronger. He left with a reflection 'Never be afraid to fall apart because it is an opportunity to rebuild yourself the way you wish you had been all along.'

Tim Kidd advised that completed the review of the year, and welcomed Dr Ann Limb.

4. Apologies

Dr Limb reiterated that the President, His Royal Highness The Duke of Kent, very much regretted that he was unable to attend the Annual General Meeting. The Chief Scout was also unable to attend. Apologies from 6 members of the Council had been received.

A warm welcome was extended to the Association's Vice Presidents in attendance – John Beresford and Wayne Bulpitt.

Dr Limb reminded Council members that they would need to participate in the meeting by electronically voting at various points. It was noted that there was a very small number of participants in attendance who were election candidates and staff rather than Council members, whom were aware that they could not vote. Dr Limb confirmed that voting data would be verified and shared in the minutes of this meeting, available in due course.

5. Minutes of the Annual General Meeting held on 7 September 2019

The minutes of the AGM of the Council of the Scout Association held on the 7 September 2019 were approved and signed.

6. 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 continued to be entitled to ask questions on its content.

FINANCES: Gordon Boyd, Treasurer, presentation on the 2019/20 Annual Report and Financial Statements

Mr Boyd explained that we have faced unprecedented challenges over the last six months. These have meant we have had to pause some of our planned work to divert our resources to the most pressing need: namely that we continue to deliver essential services to our groups, and support them in every way we can.

However, he reflected on the excellent work that was completed during 2019-20, including the delivery of our programme planning tools, the early year's pilots, and the UK Contingent who represented us so well as the 24th World Scout Jamboree. More recently, he highlighted the delivery of the Great Indoors initiative, the Hike to the Moon and The Great Indoors Weekender.

Mr Boyd noted that the crisis has had a severe impact on our finances, which has meant we are having to take tough decisions and draw on our reserves. However, as ever, we will continue to carefully manage our finances and do we have to, to make sure that the movement continues to prosper into the future.

Before commencing a brief overview of the Scout Association's finances over the last 12 months, Mr Boyd thanked the significant number of financial supporters we have. Explaining that without their support, we wouldn't reach as many young people with skills for life as we have over the past twelve months. From the Pears Foundation, Mercers, HSBC to Go Outdoors and major donors – there are too many to mention here, with a full list in our Annual Report.

The Annual Report is an important, public document, and is chiefly accessed online. To reflect this, and also save costs, this year's Annual Report is a digital document and we are not producing printed copies. But that has no impact on the quality of the content.

On pages 3 to 18 of the Annual Report, the Trustees outlined the Association's strategic aims, achievements and performance over the last year. Along with the introduction from our Chair, Matt sets out how we have positively responded to COVID-19, and our UK Chief Commissioner highlights the priority of safety in supporting and enabling our members.

Pages 19 to 22 set out the 'Theory of Change', describing the impact we make. Our Theory of Change has developed so that we can better measure the impact we have on young people, allowing us to improve what we do, prove to funders and decision makers the benefits of supporting Scouting, and make better decisions as an organisation.

At the end, pages 58 to 62 describe how we operate, and the rest of the Annual Report presents our financial result for 2019/20.

Income

The Council noted the content of the presentation slide which showed the income we have received in each of the last 10 years and how it has been generated – including both restricted and unrestricted income.

Total income received last year was £53m, of which £2.5m was restricted. Significantly, last year we had the hugely successful World Scout Jamboree in America, and this brought in £15m income. Excluding this income and the £1m received for a property sale, like for like income was fractionally below the £37m income in the previous year.

Our trading activities had mixed results for the year. Our retail and sponsorship activities both had increased income, although less profit. But our hostel and conference centres struggled and saw events and income fall. Overall trading income was up £0.4m at £12.8m.

Income from our charitable activities includes income from activity centres, National Events and insurance commissions. Excluding the WSJ, income from charitable activities was slightly up at £30.5m.

Donations and legacies income is difficult to predict and tends to fluctuate. The proportion of this income is usually weighted to restricted donations, which increased by £0.7m to £2.1m. However, unrestricted donations were down £1.0m at £0.5m. The restricted income enables 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. Despite investment yields remaining low by historic standards, income was up at £0.7m.

So far we have looked at total income, but of course that is only part of the story as for most income streams we also incur costs. So let's spend a few moments looking at net income (that is income net of the costs incurred to generate that income).

Net Income

Looking at unrestricted income only, Council noted how each net income stream has contributed to total unrestricted net income of £18m.

Contributions from our insurance business and profit from Unity and Events and Conference Centres comprised 7% and 4% of the total. Profits from Scout Shops contributed a further 17% in what, as we have noted, was a mixed year of trading.

Membership subscriptions continue to be our largest source of unrestricted income by far at around 65% of the total and brought in £12m.

Membership fees

Membership fees are collected only from young people, under 18 years of age. To meet the increased costs of safeguarding there have been increases in previous years, and to support the movement, the plan had been for continuing incremental increases.

Fees of £28.50, after the prompt payment discount, were received in April 2020 for the year to March 2021. For the year to March 2022, consultation with the members of the Council was held and it was concluded that an increase of £7.50, with proposal to ring-fence £1.50 towards the hardship fund will be applied to membership fees.

We continue to see significant cost pressures in a number of important areas. Reflecting COVID-19, in preparing budgets, we have had to plan for a reduced number of paying members, and projected membership income is shown on the next slide.

Membership income

The information presented brought together membership fees and young people numbers, to show total membership income. The past trend has been for a steady increase in member numbers, but in modelling future income and expenditure we have taken a cautious view. The effect of COVID-19 is budgeted to mean a 30% reduction in the number of young people paying fees.

Even after heavy cost reductions, to limit the budget deficit so reserves are not completely exhausted, and so we can ensure continued safety for all members, an increase in membership fees is necessary. Hence the proposed £7.50 increase in April 2021.

Spend on charitable activities

The services, which The Scout Association provides to the Movement, continue to face considerable cost pressure, particularly in the areas of vetting and safeguarding.

As you would expect, the financial activities summary in the Annual Report shows that our largest area of expenditure is related to charitable activities. This year the expenditure is boosted by the WSJ, and this adds £15m to give £46m, out of a total spend of £55m. This spending, delivering our objectives, has increased by £1m on a like-for-like basis from the previous year.

Looking briefly at each area of charitable expenditure in turn, here are some highlights of what our spending has provided. Running clockwise from the top:

Under Youth Programme, our new digital planning tool is working to provide more than 800 activities and a selection of pre-planned programmes that are immediately available for our volunteers. With lock-down we quickly provided The Great Indoors, so young people can continue to learn new skills.

Development of Scouting has enabled us to open 198 sections in the 30% most deprived areas in the UK. Our trials of Scouts for four and five year olds, focusing on the most disadvantaged areas in the UK, have had excellent results, and independent assessment of their positive impact.

Adult support and training has seen the development of new modules on diversity and inclusion. We have created a new suite of tools on the website for recruiting and keeping new volunteers.

Finally, under Support and services to the Movement we had thousands of responses to our research on how to make the volunteering experience even better. We are starting to test a new and improved way to volunteer at Scouts.

You will recall that Total Income generated in the year was £53m and therefore after deducting total expenditure of £55m, the operating deficit for the year was £2m.

Reserves

Pages 32 to 34 of the Annual Report summarise the consolidated financial results of the Association. In the Statement of Financial Activities at the bottom of page 32 we show the operating deficit of £2m for the year, and below that, gains and losses from pensions and currency transactions, giving a total increase in funds of £0.9m. The slide on reserves shows this £0.9m increase in our total funds, highlighted at the bottom in blue.

Our general funds, or free reserves circled in green at the top of the slide show a decrease of £4.1m from £10.5m to £6.4m. The reduction is made up of the £2m operating deficit, £1m from a loss on investment values, £2m for a payment to the Pension Scheme, and a positive £0.9m with a net reduction in the value of fixed assets.

Our reserves policy continues to be to aim to hold cover for 3 to 6 months unrestricted expenditure, up to £10m. Our general funds of £6.4m give us about 4 months cover. So although we remain in our target range, we would look to build our reserves back up in future years.

We hold reserves to preserve our services against risks and financial uncertainty. In these troubling uncertain times they are giving us that protection.

The Pensions Reserve, is a negative figure reflecting the deficit in the pension scheme. The Pension reserve relates to the Association's defined benefit scheme, which is closed to new members. The liability has decreased significantly by £5.5m to £4.8m. In part this shows the benefit of the £2m payment out of general funds. The actuarial assumptions do vary, and last year there was a reduction in inflation and mortality assumptions that also reduced the deficit.

The valuation of the Pension Scheme for the accounts follows prescribed calculations, and is different from the full triennial actuarial valuations, which determine what deficit payments need to be made. The triennial valuation as at 31 March 2019 was completed last year and similarly showed an improved position. The funding level, comparing assets over liabilities, improved from 78% in 2016 to 84% in 2019. The pension scheme continues to be an unwelcome cost, but the trustees have agreed a deficit recovery plan at the same annual cost that aims to clear the liability in a few years. The appointment of a corporate trustee for the pension scheme and action already taken on investments look to reduce future risk.

Challenges ahead

The Association faced a number of financial challenges:

- Manage the finances in the new Covid reality with challenges to all our income streams due to curtailment to face to face Scouting.
- To build our depleted reserves back to levels to sustain the activities and to maximise the potential income from all our assets.
- To continue to obtain value for money from our business, assets and activities, for the benefit of our membership.
- Build a sustainable business model for the long-term.
- To invest in Skills for Life that will contribute to the growth and development of the Scouts

My Boyd explained that last year he said that our finances were in good shape and that our reserves should allow us to weather short term unexpected events. He hadn't realised they were going to be so cruelly tested.

The Annual Report includes analysis and emphasis on our ability to continue as a going concern, and this had considerable scrutiny from the auditors. We do have a strong cash position. We have readily available investment reserves, and we have arranged overdraft and loan facilities with Barclays Bank to give added protection.

COVID-19 creates great damage and uncertainty, but we have continued to manage our finances so we are best able to continue making Scouts available.

The governance structure continues to provide a robust framework to ensure the Association's finances are managed in a controlled fashion. Comprehensive and detailed monitoring of our finances and risks are undertaken by the Finance and Risk Committees and overall oversight is provided by the Board. All of this supports all our efforts to spend our money wisely and to focus on delivering the strategic objectives agreed by the Movement.

He thanked his fellow members of the Finance Committee and the Finance team at Gilwell for their hard work in preparing the accounts and for keeping control of our finances during the course of the year.

Mr Boyd commends to Council the 2019/20 Annual Report and Financial Statements.

7. Elected Members of the Council

On the proposal of David Branagh, seconded by Rhiannon Wells, 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 2020-2023.

| | |
|-------------------------|--|
| Rudolf Plaut | President, Scouts Cymru |
| Ian Donald McKenzie | Member, The Scout Association Trust Corporation |
| Debra Morris | Member, The Scout Association Trust Corporation |
| Paul Weeks | Members, The Scout Association Trust Corporation |
| Reverend Dr Hugh Osgood | Moderator, Free Churches Group |

8. Appointed Members of the Board of Trustees:

Dr Limb addressed the Council about the Board of Trustees, explaining that at the beginning of the year a search process had been initiated to find a new Treasurer and a robust recruitment process was followed to find a suitable candidate. Dr Limb was pleased to present Mike Ashley as the proposed candidate.

Mike Ashley was placed in the digital lobby while the vote was taken.

Lexie Sims (Trustee) proposed the appointment of Mike Ashley as Treasurer of The Scout Association for a three year term, and Michael Wood Williams (Trustee) seconded the proposal. The Council voted unanimously in favour of the proposal.

Mike Ashley returned to the meeting.

Dr Limb congratulated Mike Ashley on his appointment for the period 2020-2023.

9. Alteration of Royal Charter and Bye Laws

Dr Limb explained that Council members had received details about the proposed amendments to the Bye-Laws and Royal Charter. The proposed amendments were to allow for the role of President to be shared between two people jointly.

The Duke of Kent was currently the President of The Scout Association and the intention was that he would at some point share the role with a second member of the Royal Family. Together, they would act as Joint Presidents. The appointment of the President of The Scout Association was within the gift of Her Majesty The Queen as Patron of The Scout Association, who had indicated her approval for this suggested arrangement.

The Association would therefore need to make some minor amendments to the Royal Charter and Bye-Laws in order to clarify how the powers of the President could be jointly exercised by the two Joint Presidents.

Matt Mills (Trustee) proposed the motion, which was seconded by Gareth Jones (Trustee). Dr Limb advised that the motion would require approval from 75% of those members present.

The Council voted unanimously in favour of the motion, which was carried.

10. Elected Members of the Board of Trustees

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

- One vacancy and three candidates for England North College.
- One vacancy and five candidates for England South College.
- One vacancy and three candidates for the Northern Ireland College

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

Dr Limb read the names of only the successful candidates but noted that details of the votes cast were available should Council members be interested. The successful candidates were:

- **England North – Peter Oliver**
- **England South – Liz Walker**
- **Northern Ireland – David Branagh**

Peter Oliver, Liz Walker and David Branagh were duly elected for the period 2020-2023, subject to them remaining a Member or Associate Member of the Association.

11. Elected Youth Member of the Board of Trustees

Dr Limb advised the Council that there was one vacancy and two candidates for the role. The Chair explained that the Association wanted to make the election process as positive as possible for all candidates and explained that we would work with candidates who were unsuccessful on this occasion to harness their enthusiasm and to support their continued development as volunteers within Scouting.

Candidate details were sent to council members at the end of July and voting was held online.

The successful candidate was:

Youth Member- Ella MacLeod

Ella MacLeod was duly elected for the period 2020-2023, subject to remaining a Member or Associate Member of the Association.

12. Any Other Business

There being no other business the Chair moved to thank yous and investitures. The Association's newly appointed Treasurer, Mike Ashley, was required to become a Member of the Association. Additionally, in March 2020 the Board approved the co-option of Busola Sodeinde as a trustee until September 2021. Dr Limb invited both Mike and Busola to make the Promise. The UK Chief Commissioner led Mike and Busola in making the Promise.

Dr Limb thanked Members of the Board for their commitment over the last 12 months, with special thanks to those Trustees completing their term of service: Gordon Boyd, Ashley Russell, Sue Harris and Matt Mills.

Dr Limb thanked the Council for their attendance and formally closed the meeting. Council members were reminded to re-join for the Question and Answer session at 2pm.

Lisa McDonald
Governance Manager
December 2020

Signed as a true and accurate record of the meeting

Dr Ann Limb

Chair, The Scout Association

January 2021