

Resolution 3

In house change projects

“That the trustees be mandated to review the current reserves policy and consider the need to free up funds to drive in house change projects designed to transform the public perception of what the Society has to offer and thereby increase membership and income. Trustees to report back to membership by 31 Oct 2012”.

Proposed by John Ives

Proposer's comment

My motion is about releasing the significant amount of funds, currently being held under the existing reserves policy, to cover an ongoing operating deficit of about £3K a week rather than to fund properly planned and managed projects designed to better deliver our aims and objectives at a local level. Such projects should then increase awareness and hence membership (currently in decline) and in turn generate additional income.

The board of trustees is neutral about this resolution as submitted and comments as follows:

The reason the trustee board is neutral is that we are already working along the lines of the first part of this resolution. However, we feel that 31 October is too soon to report back to the membership but this does not justify formal opposition to the resolution.

In 2011, following the recommendations of a working party, we appointed an outside company to put forward proposals for a marketing campaign with the objective of raising the profile of the society, increasing membership while retaining existing membership and encouraging more legacies. We are now in the process of implementing some of the ideas from this review. These include a rebranding of the society with a new logo and a redesign of our electronic and paper images. These planned and costed projects are being funded from our reserves.

Our reserves policy recognises the intermittent nature of our legacies and large donations by holding funds sufficient to last for three years if the source of legacies and donations dry up. Those three years give us time to adjust our work output, or obtain funds in other ways. We hold in addition about £32,000 of excess reserves. This sum is expected to fall in 2013.

John Ives, in his words of explanation, appears to be pre-empting a review of the reserves policy to the extent of advocating that we spend the bulk of our safety reserves. That is of course simply one possible outcome of the review and it is the review (not the outcome) that is in the resolution. It would leave us very vulnerable financially.

John Ives comments that there is an ongoing operating deficit of about £3,000 per week. It is not clear how that relates to the resolution, but we think he is referring to the arithmetic difference between our budgeted spend and the income from subscriptions and appeals. That figure is in fact nearer £2,600 per week and reducing. That is precisely what our reserves policy is for, because legacy income and large-gift income (which are excluded from that figure) are unpredictable and intermittent. We therefore hold reserves to iron out fluctuations and give us good warning of serious impending shortfall. We think the advance warning of that shortfall is quite likely in the next couple of years, so the £32,000 or so that we hold over and above these earmarked reserves must be spent with caution, preferably on pump-priming work which will then be self-funding.

Being realistic we would need over 3000 new members (obtained without incurring significant costs) to substitute for legacy and large-gift income—a very ambitious target indeed.