

**MINUTES OF THE EXTRAORDINARY MEETING OF THE TRUSTEES OF WLHB
HELD ON FRIDAY 3RD MAY AT:
GIRLGUIDING HQ, 17-19 BUCKINGHAM PALACE ROAD, SW1**

WELCOME AND INTRODUCTION

Present:

Dan Robinson (DR)
Kim Davies (KD)
Jane Ross (JR)
Sally Floyd (SF)
Heather Jordan (HJ)
Christine Underhill (CU)
Innes Milne (IM)
Bob Jones (RJ)

In Attendance:

Janice Gronow (JG)
Margaret Peggie (MP)
Sarah Price (SP)
Alison Howard (AH)
Karen Monaghan (KM)

1. Apologies for absence.

1.1. Apologies were received from Janet Tate (JT)

2. Welcome and objectives of the session.

2.1 Introductions of the new Trustees and MT were made.

2.2 DR gave an overview of what Trustee's and MT hoped to achieve today, focusing solely on a strategic review of the organisation.

3. FLExercise SWOT analysis (pre work)

3.1. Trustees and MT outlined their thoughts and those fed back from the Teacher's community and members.

3.2. SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none">• Very well trained teachers/workforce• Heritage• Well supported teachers• Good network of teachers	<ul style="list-style-type: none">• Confused structure – WLHB/FL-exercise/EMD UK• Bureaucratic• USP• Membership

<ul style="list-style-type: none"> • Participant/client retention • Great system • Active aging • Not prescriptive • Community support (financial and mental) • Experience • Friendly • Accredited training • Membership provides strong funding • Well place for current aging and obesity issues. 	<ul style="list-style-type: none"> • Charity - members don't buy into charity support • Unsustainable financial model • Old fashioned perception • Complicated structure • Too stuck in our ways • Inability to communicate the role of the charity trustees • Low public profile • Difficulty to teach method to new teachers • Non commercial
<p>Opportunities</p> <ul style="list-style-type: none"> • Digital • Social inclusion agenda • Community growth • External funding • Social prescribing • Independent direction with much needed skill set • Age demographic • Physical activities • Online training • Raise profile in gyms, etc. • Delivery of product • Learning from others 	<p>Threats</p> <ul style="list-style-type: none"> • Lots of competitors • Membership • WLHB not assigned with teachers • Teachers going solo rather than buying into the organisation • No cover for class closure/retirement • Aging teacher base • No national presence • Teachers outward/forward facing • Inability to recruit enough new teachers

4. Current approach including high-level spend review:

Figures include consultant's fees.

4.1. Training Approach.

JG gave an overview on the current training expenditure.

We currently offer nationally accredited training qualifications to Level 2 and 3. Originally the course was set up with 14 F2F days but now delivered in 6 F2F days plus summative assessment day. Current trends see 25% of training taking place online and 75% face to face. An additional available is the Essential Exercise course (EE) which has proved a good income generator. Exercise Essentials, a 1 day CPD course was set up in addition to the accredited training. Advantages of this course is the flexibility, instructors already have to have a L2 exercise to music qualification so have the teaching skills. Potentially an income generator and stepping stone for L3 accredited course. Cost is £220, EMD UK offer an 'open bursary'. EE requires 3 students to break-even /generate income.

This all depends on trainer travel expenses and hall hire costs which can vary. Full course fee £1,295. A bursary of £545 is available from EMD UK.

Overall annual expenditure for training = £50k

4.2 Marketing Approach.

SP gave an overview on the current marketing expenditure.

Marketing provides a range hard and soft copy materials, as well as online support mainly to promoting training to become a teacher. Areas covered include:

- Selling benefits of classes to over 55's
- Hard copy advertising and bespoke items to ensure the brand is maintained by teachers
- New teacher packs
- YouTube videos on setting up a Facebook business page for new teachers. There is the option for existing teachers to access this information, but many often don't take it up
- Social media delivery and support to teachers in digital marketing
- Training on how to sell and promote membership

This information is provided incrementally through the training period and beyond. In order to raise the profile of the organisation within the industry, nationally, the service of a professional writer for content could be beneficial.

Overall annual expenditure for marketing = £45k

4.3 EMD UK Involvement

EMD UK is the means to providing:

- Accredited training
- Membership admin
- Payments and accounting
- Manage database
- Advertise classes
- Bursary
- Consolidated cost base

Previously, the Chair of Trustees has liaised individually with EMD UK. There is a perception amongst the teachers' community that we get very little from EMD UK. It had been thought that some of the benefits of the Sport England funding which is granted to EMD UK might be felt more directly by FLEXercise but IM stated that the funding is indirect as the funding subsidises the overhead and staff costs that FLEXercise contribute to. The additional funding was given to EMD UK to widen their own remit and assist the sector to grow as a whole. The funding is often specific to specialist populations like engaging with women, inactive or hard to reach communities.

Trustees and the MT looked at what worked well with EMD UK and what didn't.

Positive	Negative
Accounting (but duplicated) Teacher portal	Database not user friendly Lack of budget projections High staff changeover makes it difficult to develop good relationships Communication (both ways)

Overall annual expenditure for EMD UK = £40k

4.5. Teachers & Members' Co-ordinator expenditure.

This is for membership activity i.e. provision of membership cards and delivery to members; provision of 2 times per year magazine to all members; insurance for teachers and members; storage space; travel not covered anywhere else; new class promotional support; PayPal and bank charges passed onto us by EMD UK; website hosting, plus some general items. The expenditure for this in 2017/18 was £20,863.

In addition is the administration expenditure of WLHB Charity to include Trustee meetings; AGM; provision of annual financial report and accounts; PO Box fee; finding personnel and general items. This expenditure for 2017/18 was £9,623.

Thus the total of both facets was £30,485 plus the consultants fees = TMC £8,225; Clerk £3,000.

Overall annual expenditure for Teacher & Members Co-ordination = £41,710.

4.6 Membership options considered to date.

1. Keep membership as it currently is.
2. Charge a fixed fee
 - a. Per teacher
 - b. Per class
 - c. Per participant per class
3. Halfway point between the above.

Trustees discussed how each of the above may be feasible, considering that KFA runs a voluntary membership, where non-members pay a slightly higher fee for each class. There has been some feeling amongst the teacher's community that possibly 25% of the current 117 teachers would consider leaving if the current membership model is not revised in some way.

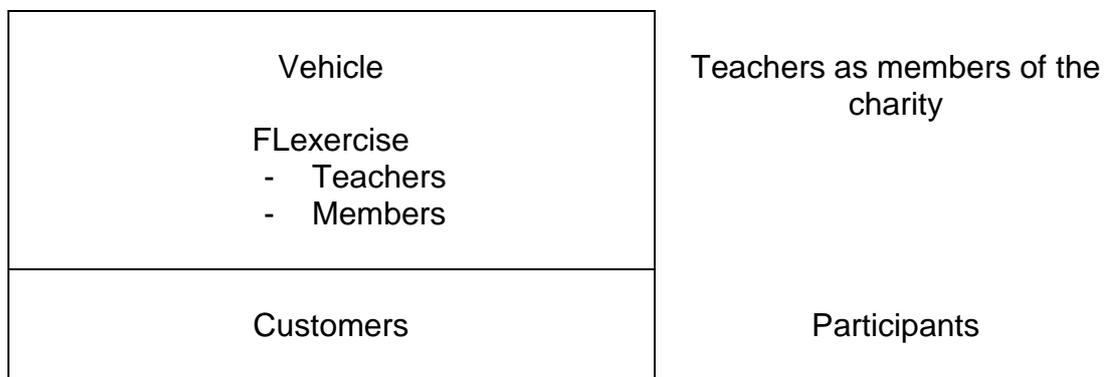
5. Feedback on teacher survey

- 5.1. Teachers' perception of the value of FExercise was discussed. This also included competitor analysis as part of the feedback.

Positive	Negative
National CPD Website Administrative support Group rates	Facebook group (teachers) Charity membership

The survey raised a key theme which suggested the teachers queried the point of the charity. Some reported back that the charity was just a vehicle for tax purposes and was irrelevant to the work of FLexercise.

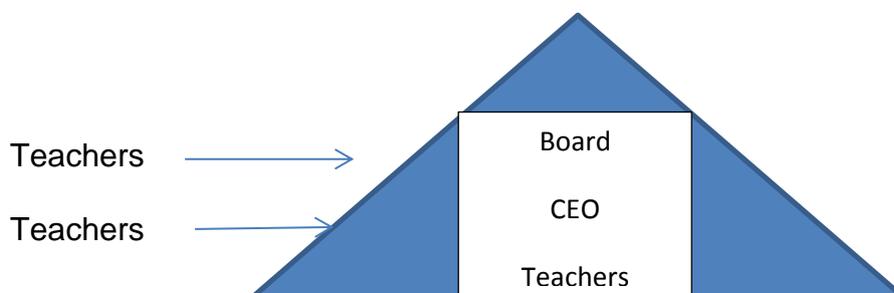
The Trustees agreed that exploring ways of making the current mechanism work should come before considering any bigger changes. It was noted that an important factor in any changes would be where the teachers would sit within the structure.



Trustees discussed whether it would be possible to look at changes to the Articles of Association to make the teachers the members of the charity, with class participants not being allowed voting powers. This would need to be voted through an EGM.

The Trustees discussed whether a consultant paid by EMD UK could be a trustee. It was confirmed that they could but would need to raise any conflicts of interest and remove themselves on voting on any EMD UK related points. As per existing policies, any new trustees would need to be recruited against the skills matrix.

This proposed structure would include teacher representatives at all levels.



Teachers perceive that the MT works well and are very co-ordinated. MT options for the proposed structure could see nominated teachers attending the MT meetings. The Chair of Trustees has an open invitation to attend meetings.

The teachers would become the sole members of the charity, with 2 nominated/voted teachers on the MT. This would also aid succession planning and put the power of the organisation back in the hands of the teachers.

Other points to consider from the feedback are:

- Looking at the CIC model – how would teachers choose leaders?
- How do we explain to teachers the change?
- Change of name – does the charity remain WLHB?

It was agreed that any changes should all be voted on in one session before implementation to avoid any confusion and additional paperwork.

6. Options Working Session

6.1. Attendees reviewed the risk of changing the current membership model. It was agreed that the greater the change, the more the risk to the organisation.

Now	EMD UK	Continue to offer membership but no voting right at AGM	Scrap national membership
Risk 25% loss of teachers	End contract with EMD UK	Administered internally	Individual teachers do whatever they wish

6.2. Income increase and expenditure reduction

It was agreed that it would be preferable to trial new ways of fundraising, on a sliding scale rather than complete change. Attendees agreed that expenditure needed to be limited, at least in the short term to rebalance the accounts. In the short term, reserves cannot be used to make up a shortfall in income. This would need to be reviewed as a specific project to support the expansion or additional work for the charity.

The attendees discussed options for reducing expenditure as follows:

Training		Marketing		EMD UK	
Current	Options	Current	Options	Current	Options
£50k with £17k spent on operational training expenditure.	Remove option to train at L2/L3. Only offer EE.	£45k	Low cost social media, website, and using existing printed items.	40k	No EMD UK support

As the current situation stands, membership renewals for September are due and payable with effect from 1st June. Attendees discussed what should be done with memberships whilst exploring opportunities to change the current model. CU proposed a termly payment to cover the current period up to 1st January 2020. This would allow 6 months to agree and implement any changes to the organisation, membership structure and articles of association. The proposal was agreed and seconded.

7. Next Steps.

- 7.1. The Trustees voted through their confidence in the Management Team to carry forward discussions and implementation on the following actions, as next steps on today's discussions. MP to lead the MT going forward on these actions. All agreed that these changes were operational issues and therefore should be implemented by the MT.
- 7.2. The attendees also agreed that 6 months' notice to change license agreement with EMD UK effective from 1st January 2020 should be given, without prejudice on further discussions.

ACTIONS FOR MANAGEMENT TEAM:

1. Put in place a temporary reduced term membership payment of £8 to cover Sept – December 2019. Members to keep their current card for this period.
2. Draw up a statement for distribution to Teachers advising on planned next steps regarding membership, proposed changes to the structure and name of WLHB/FL-exercise. Work to take place over the next 6 months.
3. RJ will act as Trustee support/representation for these discussions.
4. MP to lead the leadership team through a more detailed review of the opportunities to reduce spend across all areas and specifically marketing, training and administration with a view to getting to recommending to the trustees an approach to reduce spend whilst focusing on what matters to us - ultimately to mitigate the risk of longer term changes to funding/membership approach.

8. Any Other Business

- 8.1. Travel Expenses:
The Chair of Trustees agreed that all expenses for attendees of Trustee Board meetings were automatically authorised by virtue of attendance at the meeting. This was to avoid further work securing individual authorisation.
- 8.2. Formal letters of complaint to Sport England, EMD UK and the Charity Commission to be discussed at the next Trustee meeting.

ACTION:

IM to review the letter of complaint from Christine and as part of that ensure that advice from EMD was suitably reviewed.

IM to also look at terms of reference for the Consultants.

9. Dates of future meetings:

Friday 28th June: TPP Ltd, 4th Floor, Sherbourne House, 119 – 121 Cannon Street, London, EC4N 5AT

Friday 20th September: TPP Ltd, 4th Floor, Sherbourne House, 119 – 121 Cannon Street, London, EC4N 5AT

Saturday 2nd November: AGM. Location tbc.