

# New Galloway Community Enterprises Ltd

## Management Committee Meeting MINUTES

1<sup>st</sup> February 2018, 7.30 pm, Dalveen, New Galloway

**1. Present:** Dawn Spernagel, Jean Marsden, Emma Harnett, Margaret Watson, Mary Smith, Dave Briggs

Attending: Helen Keron, Lynsey Hogg.

Apologies: Mike Brown, Sarah Lane, Craig Millar.

The Meeting was chaired by the Vice Chair, Jean Marsden

**2. Minutes of the last meeting approved;** Proposed DS, Seconded MW.

### 3. Matters Arising

The suggestion of sharing an electric vehicle with GCAT was discussed positively with the GCAT Board at their January meeting and was seen to be a win-win on both counts. The proviso is that we won't be buying the vehicle until the renovation is complete and our costs are fully understood.

Actions carried over:

- HK write up shop Risk Assessment
- HK move last Direct Debits from Co-op – in progress.
- HK write-up Data protection briefing doc.

### 4. Shop

#### 4.1 Gross Sales

01/01/18 – 19/01/18

Gross average sales for this period £11648. Weekly ave. £2912

Sales margin for this period 22%.

Jan / Feb are known for having lower sales over this period as customers reduce their spending after Christmas. It was noted that the January sales figures are based almost exclusively on local customers and therefore represent a good base case to build on in the tourist season.

We have been focused on selling fruit and veg and a low cost, easy and healthy recipe card to accompany customer trends of healthy eating at this time of year. Some people are ordering fruit and veg directly now that we have 6 days/week delivery from Mitchells, which reduces wastage. **ACTION** – LH promote this as an option (Facebook and posters).

MS reported that Kells Parent Council are planning a healthy eating initiative, and it was agreed that the shop would happily support this. **ACTION – LH and MS** work with the school to support.

The shop has been replenished after Christmas and we are still finding a desire from customers to purchase more luxury goods as opposed to store staples.

There has been a focus in January on casual shop staff training and EPOS data analysis & stock data entry issues.

DS reported that we have underspent our allocated BLF subsidy for shop operations by £4,000 in the first 6 months (£11k subsidy used out of £15k). The Board would like to record its thanks to LH and her team for an excellent start to trading – from a standing start, the shop is transformed and the turnover reflects that. There is of course still a long way to go to achieve sustainability, but the trajectory of growth is excellent.

It was agreed to leave the subsidy under-spend untouched at present in order to provide a buffer for future performance as the BLF subsidy decreases.

**ACTION – HK** ring-fence the subsidy underspend in the Cost Monitor spreadsheet so that it is clear and protected. **Update – Complete.**

#### 4.2 Casual Shop Assistants

Sheila Dressler, Marion Briggs and Mari Burton have all accepted the offer of casual work as Shop Assistants. They will invoice NGCE for their monthly hours. They have all received alcohol licensing training, an induction, opening and closing the shop training and EPOS training. They are all therefore available now for holiday, sickness and adverse weather cover.

(Note that Marion Briggs is married to David Briggs, Board member. DB was not involved in the selection process for the Casual Shop Assistants.)

It was agreed that the Casual Shop Assistants would be issued keys to the shop in order for them to effectively fulfil one of their core functions of emergency cover. The protocol will be:

- Existing Key Register kept up to date.
- Individual keys (number and/or colour) allocated to individuals.
- All key holders sign for keys (signature kept on file) and briefed on the importance of security.
- Whenever a key holder leaves the organisation, an Exit checklist should include the return of the keys. **ACTION – HK – create an Exit checklist.**

#### 4.3 Volunteer Staff

Izzy Ross received her induction w/c 29-01-18 and will begin volunteering in the shop for 3 hours/week for 6 months from 19-02-18, receiving direct training from LH. Interest from other customers has been noted but more on an ad hoc basis and they will be notified in due course.

#### **4.4 First Aid Training**

First Aid training from Christine Rankin will occur in the shop office in early March to ensure all staff/ casual shop staff and volunteers can perform basic first aid if required. Our thanks to Mrs Rankin for the generous offer of her time and skills.

#### **4.5 'Charity' Box**

It was agreed to keep a charity box at the till and that it will be to raise funds for the Senior Citizen's Christmas lunch, as it has been historically. **ACTION** – MW source new box / tin. **ACTION** – LH label up for Senior Citizen's Lunch.

#### **4.6 Card reader**

Bank of Scotland were contacted and formally requested to link the 'New Galloway Community Shop' bank account to New Galloway Community Enterprises Ltd 2 weeks ago but a follow-up phone call revealed that the wrong address had been given. **ACTION** – HK send letter to new address. **Update** – complete 2-2-18.

Once this letter is received, the chip and pin machine can be sourced with 7 days' notice. It was agreed to give this process one last chance but that after that, BoS card readers would be sourced and used manually with the EPOS system.

#### **4.7 Fridge / freezer breakdown protocol.**

Issued by LH after the meeting, to be discussed and agreed at next Board meeting.

It was noted that the insurance claim has come through for the December breakdown (~£200) and that it is not expected to impact the annual premium.

#### **4.8 Staffing options**

LH has a strategic view on what is required for future shop operations, involving more overlap between herself and the shop assistants. It was agreed to convene a working group to discuss and agree this issue, working within the constraints of the existing Wages budget. Working group agreed as JM, DB, LH and HK.

**ACTION** – LH convene the first meeting of this group on return from holiday.

### **5. Building and refurbishment**

#### **5.1 Progress report**

The tender returns were reviewed in depth throughout January by HK, Marc Henkleman (Architectural consultant) and a Board sub-group of MW, EH and DB. This resulted in a Tender Report that was sent to the Big Lottery at the

end of January. The Big Lottery are supporting our decision to go ahead with the refurbishment on this basis.

**ACTION** – HK ask MH for references for Luce Bay on similar projects, for due diligence.

**ACTION** – HK progress shop fitting options in the light of the new budget.

## 5.2 Timeline

- W/c 29 Jan – Further discussion with Luce Bay re costs – ongoing.
- W/c 5 Feb – Internal discussion of contract terms. Complete – HK, MH, EH.
- W/c 12 Feb – Meet Luce Bay to discuss and hopefully agree contract.
- W/c 12 March (approx) – renovation of Shop and rooms above commences.
- Mid June – Shop work complete.
- Mid October – all refurb work complete, flats available for rental.

## 5.3 Biomass heating

A ground source heat pump was suggested as a (cheaper) alternative to a biomass heater, but such systems are most effective with new-build properties that are airtight and have underfloor heating, due to the system running at a lower temperature than a conventional boiler. The decision was therefore made to stick with the biomass boiler system, although to try and minimise its cost.

**ACTION** – HK check that there are at least two providers of pellets who could supply to New Galloway, to ensure we are not tied into one supplier.

**ACTION** – HK compare the price of the quote in the Luce Bay quote to those we obtained for the first stage bid. **Update** – LB quote is £40k. We included £45k in our grant application, based on a quote from Solarae of £39k for a 45kW system.

## 5.4 Temporary Accommodation

EH confirmed that the option she is pursuing is Kitty's tea room. **This information remains confidential until final agreement.** It is looking positive but needs final confirmation when dates are known. **ACTION** – EH approach Kitty's for final agreement when the exact start date is known, after discussion with the contractors.

Other considerations for the move:

- Wifi
- Insurance
- Sam and Janosh's working environment.
- Break room for shop staff

- Physically moving the shop – large volunteer involvement will be required.
- Keys
- Stock storage
- Publicity

**ACTION** – HK start working up solutions to the above with LH when the location is confirmed.

## **6. Community Engagement Worker**

### **Progress to date (since 3 Jan 18)**

- Initiated contact with:
  - LING
  - CatStrand
  - Kells School
  - Local carers
  - St Margaret’s Church.
  - Loreburn Housing
  - Stewartry Ward Manager
  - Foodtrain
  - Third Sector Dumfries and Galloway
  - Stewartry Integrated Health and Social Care Team.
- Prepared and supported Janosh (Bright Green Placements) in the initial stages of the Community Group Oil Purchasing project.

### **Next steps (Feb/Mar)**

- Continue to work with HK and TSDG on Policies and procedures – required for insurer.
- Distribute a flyer to the community introducing myself as CEW, contact details and working hours/availability.
- Host a meeting at the Smithy to get together the local business from the area to network, gather information and identify ways of supporting them.
- Work with Loreburn Housing and LING set up a community notice board displaying appropriate and relevant information.
- Work with Loreburn Housing to host a benefits and financial surgery.
- Continue working on and creating databases with relevant information for the role of CEW e.g. contacts, carers register, support information.
- Work with Loreburn and New Galloway Community shop to research the current process of Foodbank provision within the region and identify ways of supporting this and meeting the need at a local level.
- Set up a Facebook page “New Galloway Community Information”.

- Continue to support and mentor Janosh in the setting up of the Group Oil Purchasing project.
- Set up a Community diary containing information re events and activities that are going on in and around the local community.
- Continue to initiate contact with key individuals including the GPs, local police officer and Glenkens Children's Club.
- Identify the next short-term projects and to look at 2-5 year plan for the role of CEW and potential projects.

I have thoroughly enjoyed my first month in post as CEW and the potential for this role within the community is becoming increasingly clear. I hope that the community will soon begin to feel and see the benefits of having a CEW within their community.

### **6.2 Insurance / Policies**

Sam is currently only insured for 'back office' work and meeting professionals. Full insurance will be put in place when we have ratified a new set of policies around her role. Sam and Helen are meeting Christine Clark of TSDG for advice on this on Monday 5th Feb and will be pursuing it as a matter of some urgency. **ACTION HK.**

### **6.3 Tackling Poverty fund**

At the end of the 2017, £4,200 was applied to from a D&G 'Tackling Poverty' fund in order to finance 2 years' worth of surgeries and expenses for the CEW. This money will be allocated via 'Participatory budgeting', where you make your case to the public, who then vote for what they consider to be the most deserving causes. This will happen on Sat 3<sup>rd</sup> March – SR and HK currently planning to attend but Board members most welcome.

### **6.4 Student Placement**

Priority projects are the oil and wood pellet buying co-operatives (Big Lottery commitments) and implementing a car sharing project, which it now looks like will be done in partnership with the Royal Voluntary Service. If time allows, he will also work on a sustainability report for the self-catering business and on assessing and optimising waste streams for the shop.

## **7. Finances**

### **7.1 Bank accounts / reconciliation.**

We received our second operational subsidy of £20,500 from the BLF in early January. This represents £15k of operational subsidy and £5.5k for 6 months of the CEW salary.

A third capital claim is still required, but this amount improves our cash flow significantly. **ACTION – HK put in third capital claim.**

The BoS bank account is trading well, with occasional subsidy required as expected.

## **7.2 VAT**

We have paid £172 to HMRC in VAT for our first VAT registration period of 14<sup>th</sup> July – 30<sup>th</sup> November 2017. After advice from the accountant, the true VAT position is that HMRC owes NGCE ~£3,100, due to capital expenses and professional services accrued pre-VAT registration. On consultation with HMRC, this amount will be claimed back at the end of our second VAT period, which ends 31 March 2018.

Bell Ogilvy advises that since our first material contact with HMRC will be for a VAT refund, they may ask us for supporting documentation, but DS has this all in hand and filed in case of enquiry.

Our VAT returns are now aligned with our End of Year, and are due 1 month and 7 days after the end of each VAT period, i.e. end March, end June, end Sept and end Dec.

For the next VAT return, it is expected to have Sage up and running so that the shop operational VAT return is automated. DS and LH are now also identifying VAT-able expenses on capital and services invoices clearly, so that the second VAT return will be simpler.

## **7.3 End of Year Accounts.**

Still due mid-Feb, on course.

## **7.4 Yodlee / Sage Integration**

It was agreed that on the advice of our Audit, Finance & Risk Committee and Bell Ogilvy, and based on the new industry norms and the BoS terms and conditions, the use of Yodlee to allow Sage to access the BoS account was agreed. See briefing document for full details.

## **8. Audit, Finance & Risk Committee.**

The first meeting of this committee was held on 30-01-18, attended by MW, DB, DS, HK, Richard Nash and Andrew Walker. The full minutes are available separately, but it was a very positive meeting. It focused largely on understanding the Society's operation and on the management of the Capital funds to date.

Actions agreed in the meeting:

- No need to take out the HMRC Corporation tax audit insurance at £200/year – very low risk.
- Members at the AGM to be informed that an audit of the accounts would cost between £2,000 and 4,000, to help them with their decision.
- Sage is required as soon as possible.

- There are no real concerns about the use of Yodlee, although read-only access would be preferred if possible.
- Next meeting: 20-02-18, 6pm in the shop, to begin to understand the operational procedures.

Our thanks to Richard Nash and Andrew Walker (NGCE members and New Galloway residents) for agreeing to be the external members of this important Committee.

## 9. AGM

1<sup>st</sup> March 2018.

Required:

- Agreement of last year's minutes – MB.
- Chairs report of the year – MB
- Presentation of annual accounts and agreement whether to audit or not – DS / HK
- Presentation of the state of the membership and membership strategy – HK
- Project updates – LH, SR?
- Refurbishment plans – HK
- Election of new Directors – HK?

Other issues to consider:

- 14 clear days of notification required = 14<sup>th</sup> Feb. **ACTION HK** put up posters / Facebook / member emails.
- Proxy forms (quorum = 10% = 25 members)
- Director nomination forms
- Director declaration forms
- New Directors!
- Process of election / re-election.
- **ACTION all – HK and MB.**

## 10. GRM Annual Payment Review

It was noted that following her 6-monthly review, LH has been confirmed in post for 3 years from 17 July 2017.

It was agreed to defer the discussion on pay until the next meeting when MB is present, as her Line Manager.

## 11. Expenses Claims – MB £32.

## 12. AOCB – none

13. **DONM:** AGM 1<sup>st</sup> March. MB to decide if he would like another meeting before then.

Helen Keron, 7<sup>th</sup> February 2018