

Disability Equality Scotland

Extraordinary General Meeting

Held at Deafblind Centre, Lenzie, Glasgow G66 3FA

On Friday 2 February 2018 1.30pm

Attending:

| | |
|------------------------|-------------------|
| Linda Bamford (LB) | Interim Convenor |
| Dorothy McKinney (DMK) | Director |
| Janis McDonald (JMD) | Co-opted Director |
| Maureen Morrison (MM) | Co-opted Director |
| Louise Orr (LO) | Co-opted Director |
| Scott Stewart(SS) | Co-opted Director |

In attendance:

| | |
|--------------------|-------------------------|
| Morven Brooks (MB) | Chief Executive Officer |
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Item 1 Welcome and Apologies

MB stated that more than 15 voting members were present and therefore the meeting was quorate and would go ahead.

Morven continued with housekeeping and reminded members to be respectful of others and courteous to speakers.

Item 2 Purpose of the EGM

LB confirmed the purpose of the EGM was to seek election of the four co-opted Directors to help stabilise the Board.

LB briefly explained that six elected Directors had resigned over a period of a few days in early December 2017 and that this had left the board in a vulnerable position with the remaining Directors needing to take immediate and emergency actions.

LB confirmed that since being co-opted each of the Directors had given significant time and commitment to Disability Equality Scotland.

LB reconfirmed that the reason for co-opting four Directors was to enable the Board to stabilise and allow Disability Equality Scotland to continue its work to support members, Access Panels and funders.

LB confirmed that the new Directors brought excellent skills, knowledge and expertise to the Board.

LB stated that she urged members to support their election and see the positives in their skills and knowledge and what expertise they bring to the board. She continued to emphasise how important it was that they gained members support and reminded those present that as a member they should continue with their agreed commitment to support the aims of Disability Equality Scotland.

An agreed commitment that included doing what's right for the organisation to allow it to function and be more stable to progress our work with the ultimate goal of supporting our members, Access Panels and our continued work to achieving full access and inclusion for disabled people in Scotland.

LB urged the members to elect the four co-optees for their specific skills sets and their support of the organisations' aims, to help take it forward in a positive direction.

LB confirmed that there had been questions raised since December 2017 and stated that DMK was going to address these questions before the new Directors introduced themselves.

Item 3 Questions and Answers

DMK read out questions that had been asked of the Board since December 2017. DMK asked that she be allowed to complete her narrative before members made any comment.

1. Can you explain why six Directors left in December 2017?

Directors are volunteers and as such can resign at any time. At the beginning of December 2017, six Directors voluntarily resigned from the Board of Disability Equality Scotland.

This did coincide with the conclusion of an external investigation.

2. Why did they all resign?

It would be inappropriate and unprofessional for us to discuss the reasons for their personal decisions to resign.

To re-assure our members, we are proposing and recruiting Directors with the specific knowledge, skills and experience to take the organisation forward.

3. Does any of this change the strategic direction of DES?

No. If anything, by electing new Directors onto our Board, we are focusing and strengthening the skills, knowledge and experience to take our Strategic Plan forward.

Nor does it change our commitment to ongoing engagement, involvement, and participation of the membership.

4. Does the Board currently have any Access Panel members?

No. Although we intend to recruit additional Directors to supplement the skills set, knowledge and experience of Directors, we can't commence this recruitment at present and I will explain why in a moment.

When recruiting we would welcome suitable applications from all members, including Access Panels. We are conducting a skills gap analysis of the current Board and our recruitment will focus specifically on looking for Directors with skills in areas the Board is under represented.

We need to ensure all our Directors have the skills and knowledge we need, to allow our Board to be progressive and meet the needs of our members, so training and development will be expected of Board members too.

We also need to make sure all our Directors can add value to the Board, operate at strategic and board level and be capable of appropriate decision making to ensure we comply with the regulators' requirements and continue to deliver on our aims and meet members' needs.

5. Is Disability Equality Scotland under investigation by OSCR?

No.

OSCR is currently reviewing some of our policies and procedures and how we operate within our governance framework, including our Articles of Association and Director's Code of Conduct.

Disability Equality Scotland was notified on 28 November 2017 that concerns were raised with OSCR regarding the organisation. At the time these concerns related to:

- The Governance of the charity in terms of Trustees/Directors behaviour
- The Trustees/Directors not actioning key requirements identified in a previous governance training session (October 2016)

- The possibility of charitable assets being used by Trustees/Directors to cover personal legal fees
- Use of charitable assets to deal with a staff grievance, which could have been avoided.

The current Board is working closely with the local Third Sector Interface and OSCR to address these concerns and the Board has fully complied with all requests for information to allow OSCR to assess and review these issues.

The new Board of Directors met with OSCR on 29 January 2018 and confirmed the actions they had taken since December 2017, including recovery plans, risk management and actions taken to ensure compliance with our corporate governance framework.

OSCR is satisfied with the progress that has been made since December 2017 and the current Governance arrangements overseen by the new Board. OSCR has been updated regularly since December 2017.

OSCR acknowledged the work that had been done since December 2017 and confirmed that they had no present concerns over the way the charity was now being managed.

We look forward to building on the current Board stability, developing the recommendations from the review by OSCR and we will work with CTSI to implement these to deliver further improvements.

When OSCR has completed their review and we have completed our skills gap analysis we are aiming to recruit new Directors to join our Board.

There are currently no staff grievances.

I should make it clear that at no point have there ever been concerns in relation to any actions or the capabilities of our staff.

Indeed, it has been noted that during a period of Board turmoil, the staff kept everything ticking over through the leadership of the Chief Executive Officer (Morven Brooks).

6. Why are few or no disabled people on the Board?

Of the current six Directors, four have a declared disability (67%). Our articles of association require 51% of the Directors on the Board to be disabled.

At this point in the EGM, an Individual member, previous Director, entered the room and spoke over DMK stating loudly that he had questions and he was going to ask them.

DMK requested that the previous Director allow her to finish her narrative and confirmed she was already in the process of answering questions that had been raised by others.

LB reminded members of their agreement to treat everyone with respect.

Another Individual member, previous Director, stated loudly “what about respect for the ex-Directors”

DMK continued with her narrative.

7. Why were two staff members temporarily appointed onto the Board?

After the resignation of five Directors, the remaining three Directors needed to act swiftly to protect the organisation. Acting on third party advice, a decision was taken to co-opt three new Directors at a pre-arranged meeting on 4 December 2017. The five resignations were received within a weekend period leading up to the pre-arranged meeting.

Two of the three Directors co-opted were staff members. It was then brought to our attention, after the meeting, that the Articles of Association had been misread and that staff members could not be co-opted onto the Board.

The situation was rectified within 24 hours and OSCR was satisfied with justifications, actions taken and the composition of the new Board.

The current Board is committed and dedicated to working in the best interest of Disability Equality Scotland, its staff and its members.

The focus since the beginning of December 2017 has been to prevent further damage, recover and comply with the governance framework of the organisation. Some actions since then have included:

- Reassessing finances and actioning financial saving (Board expenses, lunch allowances)
- Establishing a good, positive working relationship with the Board and Staff Team (instilling a culture of openness, trust and mutual support to allow knowledge sharing, learning and development)
- Establishing objectives and a performance management framework for the CEO with an identified Board lead
- Identifying priority actions for January – March 2018 and seeking new initiatives
- Preparing for the recruitment of further new Directors
- Induction of current new Directors including:
 - Roles and Responsibilities to the organisation
 - An overview of the organisation, its strategy and agreements of how we do things
 - A Governance review (Board and Staff Team)
 - Two Board Meetings (with staff presence and involvement)
 - Agreeing a schedule for Board meetings and key agenda items
 - Appointing Interim Office Bearers

We have also been:

- Identifying and managing risks
- Updating funders on our position and providing status reports
- Holding Board and Staff meetings (Interim Convener and all staff)
- Complying with OSCR requests and a meeting in person with the new Board and a representative from OSCR
- Developing relationships with NHS 24 to work in partnership
- Preparing funding applications for 2018/19
- Arranging EGM

- Preparing “draft” members survey

These actions have been taken to complement “business as usual” and during the festive period, which included a two-week shutdown of most organisations.

We feel this evidences the commitment of the staff team and new Board of Directors.

Of interest, over the last month or two we have attracted over 70 new members. This is well above our normal levels and our current membership sits at the highest ever – over 630 members.

8. Was any information held back from previous Directors before they resigned and was there a report relating to them that they were not allowed access to?

It would be inappropriate and unprofessional for us to make any comments about individuals other than to confirm that all appropriate and relevant information was made available to the full Board.

9. Was an independent Consultant brought in to conduct an investigation that the charity paid for?

Yes. Due to a breach in our governance framework we needed to engage the services of an external consultant to conduct an investigation.

10. What was the total cost?

The total cost to date is **£4551.60**. This cost was covered from our Reserve budget to minimise the impact on operational activity and ensure restricted funds were not utilised. We are seeking income generation opportunities to increase our Reserve budget and cover these costs.

Our Reserve budget has a current balance of **£40,796.37**

There is also a disputed cost of £1,836, for legal fees, which the organisation currently has not approved. The legal fees were deemed to have been incurred by a Director without full Board approval and out with Directors' Codes of Conduct/legal responsibilities.

OSCR is aware of this and it is an area of concern, one that initiated the review.

11. Why was the Charity's money spend on this?

In relation to the external consultant this was, because of a breach in our governance framework, we exhausted the opportunities to deal with the matter internally. The breach was by a member of the Board.

To comply with employment legislation and to address the underlying issues we were left with no option but to appoint an independent consultant.

The matter has now been resolved.

12. Which Board member breached the governance Framework?

It would be inappropriate and unprofessional for us to comment.

We can reassure members that we are currently operating within our governance framework and all Directors are aware and "signed up" to their roles and responsibilities towards the organisation.

None of the current Directors have breached their Code of Conduct or the Charity's overarching Governance procedures.

13. Can you give us the details of what the issue was?

This was a private and confidential issue and it would be inappropriate and unprofessional for us to make any further comments.

End of questions and answers.

Two Individual members, both previous Directors, asked the Board to comment on why they were not allowed to see the report, carried out by the Independent Consultant. They stated that the company lawyers had told them they should see the report into the staff grievance against the six male Directors

One of them stated that certain Directors had been accused of not having the authority to use Disability Equality Scotland funds to pay for seeking legal advice from the company lawyers. They stated that the Office of Scottish Charity Regulator (OSCR) had said they should see the report about the grievance against them.

LB reminded the members that the purpose of the meeting was to appoint four new Directors and therefore their comments were not relevant, today. A further previous Director quoted the Articles of Association, pointing out that an EGM was NOT the forum to elect new Directors.

He continued to read aloud pages of the Articles of Association.

Julie McGrath, Clackmannanshire Third Sector Interface (CTSI), (advisor role to the Board) stated that there had been no option but to seek election of the co-opted Directors today as without doing so would mean that the charity did not have a full working Board.

She stated that in the best interest of the charity, members should elect the co-optees and confirmed that the board had been working closely with them and OSCR to further stabilise and move forward.

The previous Director commented that Disability Equality Scotland was currently working under the old Articles of Association and stated that the Board was using the EGM to illicitly appoint new Directors.

LB commented that the charity had recently gone through a busy and difficult time and said the Articles of Association would be re-visited, updated and amended to be more “fit for purpose”.

LB explained again that the resignation of six Directors over a few days in December 2017 had left the board in a vulnerable position. Four Directors were co-opted to stabilise the board. LB confirmed that as the AGM had only been held at the end of last year, on instruction and in the best interest for the organisation and its members, the Board agreed to hold this EGM with the intention of asking members to elect the four co-opted Directors to allow the board to stabilise and continue its work.

LB confirmed that it was incumbent on Directors to act at all times in the best interest of the company and that this was the intention of the current board and sole purpose of the EGM.

LB asked again that members supported this approach and the Board’s aim and also reminded members that there were several members in the room who were not getting a chance to express their views.

An Individual member from the North Ayrshire Access Panel, stated that these were extraordinary circumstances however, he asked if the previous Directors could give their reasons for resigning, in a break from the Agenda.

LB confirmed the purpose of the EGM and that they would not be opening up the agenda for this purpose and also confirmed that this was not the forum for these discussions.

Again, she explained the purpose of the EGM and that Disability Equality Scotland wanted to become more stable and move forward to serve its members, support Access Panels and continue their work toward achieving full access and inclusion for disabled people in Scotland.,

She confirmed that it was important that they move forward.

The same Individual member persisted, asking if the members could vote on a change to the Agenda so the former Directors’ reasons could be heard.

A member of Lochaber Access Panel stated that the Articles of Association had effectively changed when the new name and logo had been passed at the 2017 AGM.

A previous Director again asked if the EGM was a legitimate forum to elect the new Directors?

LB answered, yes, given the circumstances, it was the correct forum and explained the advice the Board had been given.

LB stated that the Board was acting in the best interest of the organisation and that included asking members to elect the four co-opted Directors.

LB ended the session by stating she hoped that the answers given today would instil confidence and reassurance of the Board's intent to be open and transparent and ensure that the aims of Disability Equality Scotland were at the forefront of the Board's function and actions.

She continued, saying, Disability Equality Scotland could now move forward, to improve the reputation and ultimately to work and act in a manner that would promote Disability Equality Scotland and prevent any damage to the charity.

LB reconfirmed that the main aim of the Board – including the Directors standing for election today – was to oversee the running of the charity, which included its governance, managing risks, providing leadership and giving strategic oversight to guide and support the staff team.

LB again stated that they wanted the organisation to move forward, to improve its reputation and ultimately to work and act in a manner that promotes the organisation and prevents any damage to the charity.

LB thanked members for their time and handed over to Morven Brooks (CEO).

Item 4 Director Introductions and Voting on Resolutions

MB discussed the voting system that would be used, stating that each Director would introduce themselves and then a vote would be cast.

MB stated that there were 24 voting members in attendance and 55 Proxy votes had been received in the office. Therefore, there were 79 votes in total

Maureen Morrison spoke to her profile, highlighting her fundraising and senior management experience, which could benefit the Board. Maureen declared she had a spinal cord injury disability.

Total Vote:

| | |
|----------|----|
| Agree | 60 |
| Disagree | 15 |
| Withheld | 4 |

Louise Orr spoke to her profile, highlighting skills she could bring to the Board: hands-on experience of working with disability, volunteering, and Board experience.

Total Vote:

| | |
|----------|----|
| Agree | 58 |
| Disagree | 17 |
| Withheld | 4 |

Scott Stewart spoke to his profile, outlining the skills which could benefit the Board: financial, performance and project management, organisational development, fundraising, housing and adult social care.

Total Vote:

| | |
|----------|----|
| Agree | 58 |
| Disagree | 17 |
| Withheld | 4 |

Janis McDonald spoke to her profile, stating senior management, governance, human rights, housing, addiction and dispute management as her skills set. Janis declared she had a hearing impairment.

Total Vote:

| | |
|----------|----|
| Agree | 59 |
| Disagree | 16 |
| Withheld | 4 |

Decision: MB verified the count and stated that all four co-optees had been agreed.

A former Director enquired as to how many postal votes had been received. MB replied, 55.

Item 5 Members' Survey: Ideas and suggestions for the future of the Organisation

MB asked the delegates for any ideas.

An Individual member, said he had found it difficult to physically hold up a vote. MB stated that help was always on hand, with five members of staff available to provide assistance and stated that she would look at the voting process for future meetings.

Another Individual member suggested providing information in advance, on audio. MB stated that we ask for communication preferences for every event.

A member of Lochaber Access Panel suggested having a Buddy system whereby a delegate could request assistance, in advance. He stated that some delegates today complained they had not received information regarding the EGM. He suggested that moving forward, a "read receipt" could be useful. MB replied stating that she had checked with the IT provider and that all information had been sent to all members on the database. MB said it is the members' responsibility to check their email and also to update us when their contact details change.

Two Individual members wished Disability Equality Scotland, well for the future.

The CEO thanked everyone for attending and closed the meeting.

These minutes will be proposed for approval by members at this year's AGM in September 2018. The Board of Directors, Disability Equality Scotland, confirm that this minute reflects discussions of the meeting held on 2 February 2018.



Signed:



DRAFT

Linda Bamford
Interim Convenor

Morven Brooks
Chief Executive Officer