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THE ROYAL INSTITUTION OF NAVAL ARCHITECTS

Chief Executive: Trevor Blakeley CEng FRINA FIMarEST FIMechE



Sec/Board09Aug2016

11 Aug 2016

The Chairman and members of the Board of Trustees

Dear Trustees,

BOARD OF TRUSTEES MEETING – 9 AUG 2016

The draft minutes of the Board meeting held on 9 August 2016 are enclosed.

Yours sincerely

Trevor Blakeley
Chief Executive

Enclosure:

Minutes of Board meeting held on 9 Aug 2016

THE ROYAL INSTITUTION OF NAVAL ARCHITECTS

Minutes of Board of Trustees meeting held on 9 Aug 2016

Present: T Boardley (Chairman)
J Frier (Treasurer)
J De Rose
F Spencer
A King
R Gehling (Tele-link)
T Blakeley (Chief Executive)

MINUTES OF MEETING 14 Jun 2016

1. The minutes were approved as a true record of the meeting, subject to amendment to para 18, to read

“18. The Treasurer/Chairman of the Internal Audit Panel reported that the second stage of the Audit, covering governance and H&S, was planned for 21 Jun 2016.”

ACTIONS ARISING

2. Action 18/2014: Chief Executive to produce an Operating Policies & Procedures Manual.

Outstanding

3. The Chief Executive reminded Trustees that it had been decided to wait until the full cycle of annual Internal Audit had been completed and changes to policies and procedures identified before producing an Operating Policies & Procedures Manual, bringing all existing policies and procedures into a single document

4. Action 03/2016: Chief Executive to implement policy of free papers for members.

Outstanding

5. The Chief Executive gave an update on progress and stated that the action could not be completed until amendments had been made to Tribe and the website.

6. Action 04/2016: Chief Executive to request that Divisions carry out a self audit of their Constitution against the Board's TORs.

Outstanding

7. Notwithstanding the provisions of the By Laws with respect to responsibility for Divisions and Branches, it was agreed that Divisions and Branches would be requested to carry out a self audit ,

8. Action 05/2016: Chief Executive to compare Institution's Reserves Policy with CC19.

Complete

9. Action 06/2016: Chief Executive to amend Risk Register.

Complete

FINANCE

Departmental Report

10. The Chief Executive presented the July 2016 Departmental Report.

Cashflow

11. The Chief Executive reported that the value of the investments at the end of May was £4.053M, cash at 13 Jun was £367K

Reserves Policy

12. The Chief Executive stated that he had compared the Institution's Reserves policy with the guidance in the Charity Commission publication Charity Reserves: Building Resilience (CC19), and found no inconsistencies.

RISK REGISTER

13. It was agreed that it would be the Institution's policy not to store the backup of data in the Cloud, but to use magnetic tape. The Chief Executive was actioned to amend the Risk Register to reflect this policy.

14. The Risk Register was reviewed and no other changes made.

INTERNAL AUDIT

Internal Audit Programme

15. The Treasurer/Chairman of the Internal Audit Panel reported that the third stage of the Audit, covering finance, was planned for 30 Oct 2016.

16. The Chief Executive was actioned to provide an update on recommendations arising from the first two stages.

CHIEF EXECUTIVE'S REPORT

The Chief Executive presented his Report (Enclosed).

DATE OF NEXT MEETING

17. The next Board meeting will be held at 14:00 on 18 Oct 2016, following the Council meeting.

ACTIONS ARISING/OUTSTANDING

19. Action 18/2014 (Para 2): Chief Executive to produce an Operating Policies & Procedures Manual.

20. Action 03/2016 (Para 4): Chief Executive to implement policy of free papers for members.

21. Action 04/2016 (Para 6): Chief Executive to request that Divisions carry out a self audit of their Constitution against the Board's TORs.

22. Action 05/2016 (Para 13): Chief Executive to amend Risk Register to reflect back up policy.

Enclosure:

Chief Executive's Report

BOARD OF TRUSTEES' MEETING – 9 AUG 2016

CHIEF EXECUTIVE'S REPORT

This report covers the period 14 Jun – 8 Aug 2016

STAFF

As a result of a recent EU ruling and subsequent failed appeals, employers are now required to take commission and overtime into account when calculating holiday pay, rather than basing it only on basic pay. This ruling affects the four members of the Advertising Department, who are the only members of staff paid a commission.

Whilst, to quote ACAS, *“there is no definitive legal answer about how such holiday pay calculations must be made, or how/if claims can be backdated, and the ruling may be subject to further appeals”*, I have implemented the ruling, effective from 1 Aug 2016. Annual remuneration, excluding commission, will be increased by the average weekly commission, calculated over the previous 12 months or period of employment if less than 12 months, applied to the 4 weeks statutory holiday. Remaining holiday will continue to be paid at the basic salary rate. Future monthly remuneration will be 1/12 of the revised annual remuneration, plus commission earned in that month.

I have informed the staff that I will review this [method of](#) calculation in the light of any further information or guidance received, and that I am also seeking further guidance on any entitlement to reimbursement for underpayment.

The impact of this ruling will be to increase the annual salary bill by approximately £5000, with £10,000 in reimbursement of underpayment if the statutory limit of 2 years for claiming underpayment applies to this form of underpayment.

The basic salary and commission rates offered to current staff on their appointment were based on the assumption that advertising sales would only be carried out during 46 weeks of the year, ie excluding holiday periods. The effect of this ruling is to increase annual remuneration without any increase in working [time](#) and therefore increase in advertising revenue. I have informed staff that I reserve the right to take this into account in any future changes to their remuneration. I will also take it into account in any future contracts.

IT

The development of the Events module of Tribe has been completed and the module has been installed on the Tribe test site for staff training and familiarisation. It will become operational when that is completed. Rather than run the risk of data migration errors, current Events will continue to be managed to completion on Enterprise (the system being replaced by Tribe). Early experience of the Tribe Events module has been encouraging.

The contract to provide telephone and broadband connections at Headquarters has been renegotiated to provide a saving of £1700+ over the 3-year period of the contract. This has been achieved mainly through a switch from telephone calls over land based ISDN lines to calls over the Internet (VOIP). This provides a saving on rental and particularly telephone call costs. The revised contract includes greater bandwidth, increasing the speed of internet connection. Installed hardware will ensure the priority and integrity of telephone calls in the event that data use is high.

HEADQUARTERS

A contract has been placed to carry out post flooding repairs to the lower ground floor, authorised by the Insurers (approx. £35K). The only visible damage has been to the skirting board which has absorbed water and subsequently expanded and distorted, and decoration above the skirting. However, the builder carrying out the repairs has advised that although the carpets are dry at the moment, it is likely that the concrete floor is still wet, and that carpets should be removed and the exposed floor dried out. This, together with the work in replacing skirting, will require all the carpet to be replaced. I have also allowed a contingency for any damage to power and IT cables incurred in removing the trunking attached to the skirting.

Work will be carried out over the period 12-23 Dec, to avoid disruption to planned events and meetings, with provision made for working over the Christmas/New Year period (when Headquarters are closed) if necessary.

BANKING

The Institution has number of foreign currency accounts with the Royal Bank of Scotland, who has advised us that in future they will not be able to collect foreign currency cheques on behalf of its customers or process sterling cheques that are drawn on overseas banks. The impact on the Institution would be to only accept payments, such as membership fees, by credit card or bank transfer. Neither method is preferred or available to a number of non UK members.

The Institution also has an account with Santander which it uses for membership fees paid from UK accounts, eg Direct Debits. I am investigating the possibility of Santander providing foreign currency accounts.

ROYAL MAIL

Royal Mail has informed us, at 30 days notice, that they will now charge for the daily collection - £800 pa. Our use of Royal Mail today is much reduced, with the bulk of our postage being handled by other companies. Although there is a letter box outside Headquarters which will take letters, on occasions we will send out large numbers of journals etc which would need to be taken to the nearest post office, for which I would have to make transport arrangements. Given the short notice, I will have to accept the charge for daily collection, but over the next 12 months, we will investigate alternative arrangements.

DIARY

I have represented the Institution at the following events since the last Report (in London unless otherwise stated)

Jun

- 15-16: Warships 2016 (Bath)
- 17: QinetiQ Schools Powerboat Challenge (Gosport)
- 29: Smallpeice Trust Course Dinner (Portsmouth)

July

- 11: Student Presentation (Newcastle)
- 12: Southampton Solent University Graduation Ceremony

- 19: RIN AGM and Reception
- 27: Smallpeice Trust Course Dinner (Glasgow)

Trevor Blakeley
8 Aug 2016