



THE ROYAL
INSTITUTION
OF NAVAL
ARCHITECTS

THE ROYAL INSTITUTION OF NAVAL ARCHITECTS

BOARD 2021

MINUTES OF MEETING 20TH OCTOBER 2021

Sec/Board 20th October 2021

2nd December 2021

Dear Board members,

BOARD MEETING – 20th October 2021

The draft minutes of the Board meeting held on 20th October 2021 are enclosed.

Yours sincerely



Chris Boyd

Chief Executive

Enclosures:

Minutes of Board meeting held on 20th October 2021.

Chief Executive report

Revision – Changes to Minutes:

N/A

1. ENCLOSURE TO BOARD MINUTES, 2ND DECEMBER 2021

Minutes of Board meeting held on 20th October 2021.

Name	initials
M d'Amico	MA
P Wrobel	PW
D Monioudis	DM
T Allan	TA
L Santini	LS
R Cripps	RC
J Frier	JF
T Strang	TS
E Pang	EP
R Gehling	RG
J Paik	JP
C Boyd (Chief Executive)	CB
I Blackwood (Finance Director)	IB
S Charity (Executive Officer)	SC

Table 1 Board attendee list

Apologies for absence:
C Savage

1.1 Declaration of Interests

1.1.1 No pecuniary or conflicts of interest with the matters to be discussed were declared.

1.2 Minutes of the meeting held on 21st July 2021.

1.2.1 The Minutes of the meeting held on 21st July 2021 were approved.

1.3 Actions arising from previous meetings.

1.3.1 Action 02/21. The CE to review the financial policy and procedures and management system. ONGOING.

1.3.2 Action 05/21. The CE to discuss with WG-21 the structure of the secretariat. ONGOING.

1.3.3 Action 06/21. The executive working to review member benefits and communication strategy. ONGOING

- 1.3.4 Action 07/21. The executive to review the publications and ways to increase numbers, refresh, and revamp magazines. ONGOING
 - 1.3.5 Action 08/21. The executive to review online events and look at new education and learning events. ONGOING
 - 1.3.6 Action 10/21. The CE to investigate to develop pilot scheme to assess cost, resources, IT equipment etc., for student access (members only) to attend events using the restricted funds. ONGOING
 - 1.3.7 Action 11/21. The Finance Director will investigate options for balancing the shortfall while maintaining sufficient operating funds. ONGOING
 - 1.3.8 Action 13/21 The CE will discuss the potential of life membership with the membership committee. ONGOING
 - 1.3.9 Action 14/21 – Fund review - Ian Blackwood to contact Neil Thomas, Independent Investments to propose conference call with the Fund steering group. CLOSED
 - 1.3.10 Action 15/21 – Fund review - Jeff Frier to circulate details of M&G submission. CLOSED
 - 1.3.11 Action 16/21 – Charibond approval – The Board approved the selling of Chari bonds to cover the 2021 deficit. Ian Blackwood to action sale with M&G and Treasurer approval. CLOSED
 - 1.3.12 Action 17/21 – Charifund – Board approval to sell £400k charifunds for the digital transformation. CLOSED
 - 1.3.13 Action 18/21 - Chief Executive and Chair Digital Steering group to set up the Governance authority for the digital transformation. CLOSED
-

2. DEPARTMENTAL FINANCIAL REPORT

2.1 Enclosure 3.a Draft 2022 budget commentary 24/06/21

- 2.1.1 The CE invited Ian Blackwood, Finance Director, to report on the departmental finance and cashflow.
- 2.1.2 This draft budget, prepared ahead of normal budgeting timetables, reflects estimated rather than historic results for the current year.
- 2.1.3 The budget for last year is shown on the grid below, pending the finalisation of 2021 actual results.
- 2.1.4 Clearly the lack of income is the key issue, coupled with the need to upgrade IT* due to years of under investment. It will take several years to return to a surplus and **long-term funding will be required** to provide adequate cash flow.
- 2.1.5 Either a loan** or sale of investments*** should be arranged as a matter of urgency. If it is not possible to secure a loan, any major capex should ideally be delayed coinciding with the 2022 membership renewal cash inflow in December/January.

* The cash outflow profile of capex is 100% on receipt of invoice rather than the depreciation shown in the table below that spreads the cost over 5 years.

**Before considering a loan RBS would require demonstration that debt servicing costs could be met from surpluses that would need to be 2 times the loan repayment costs. A loan of £300k over 10 years would cost £34k per annum and require a surplus of £68k. Clearly this is not feasible.

***The dividend income included in this budget is based on latest predictions from M&G and reflects a historic yield of 4.37%. It has been assumed that 25% of the holdings would need to be sold to cover the current year deficit and provide working capital/capex for the 2022 budget. The income below is after reducing holdings by 25%. It should be noted that the dividend income currently included in the budget is split as follows:

Unrestricted	74,492	55%
Benevolent	29,135	21%
Scholarship	30,302	22%
Prizes	1,709	2%
Total	135,638	

- 2.1.6 Once the investments are sold the percentages will need to change, reflecting the fact that capex and working capital should be financed from unrestricted funds and increasing the proportion of restricted funds with the associated difficulties of spending restricted monies.
- 2.1.7 The appointment of a new Business Development Director has now been excluded from the budget due to the uncertainty/timing of revenue streams in the next twelve months.
- 2.1.8 There has been no accelerated depreciation provided in respect of the AVSnet audio conferencing system. The written down value will still be £12,556 on 30 September 2022.
- 2.1.9 The budget includes the following significant expenses:
- Digital First new systems development (depreciation) £54,900. (20% of £274,500) *
 - Digital First recurring licence costs £30,000
 - Infosec recurring licence fees (cyber etc) £26,830
 - Accelerated depreciation in respect of Horatio to write off by 30 September 2022. £95,644

Summary

Department	Income	Expenditure	Surplus/ (Deficit)	Last Year Budget
	£	£	£	£
Publications	566,219	671,638	(105,418)	(173,230)
Events	189,225	179,858	9,367	40,638
Marketing	148,980	139,355	9,625	45,112
Professional Affairs	1,007,772	487,366	520,406	457,499
Administration	125,242	954,823	(829,581)	(576,125)
Total	2,037,438	2,433,040	(395,602)	(188,107)

2.2 PUBLICATIONS:

- 2.2.1 Income streams reflect the 2021 budget with the removal of the 25% discount for Covid.
- 2.2.2 Internal publications sales These are an internal transfer and do not affect the final deficit.
- 2.2.3 No provision for any exchange differences has been made.

- 2.2.4 Advertising revenue excludes any provision for contra sales, to avoid distorting income. Any associated expenditure has also been excluded from Exhibition costs in the “Marketing” division budget.
- 2.2.5 Staff costs exclude any recruitment costs. 75% of the Technical Director salary has been recharged to Publications. Internal commissions have been calculated at 5% for SBI print sales and 10% for on-line and Significant Small Ships.
- 2.2.6 Editorial “fees” for Warship and Ship Repair have not been increased. The production fee for Significant Ships has been held at £5k.
- 2.2.7 Editorial contributor budgets remain the same.
- 2.2.8 External commission payments (30%) relate to the agency payments to JP Media Ltd in respect of *The Naval Architect*, *Warship Technology*, *Ship Repair* and *Significant Ships*.
- 2.2.9 Print costs have been held at last year’s budget figure. These should reduce with increased digitalisation.

2.3 EVENTS:

- 2.3.1 The budget should be treated with caution due to the uncertainty of running live events in post Covid times and the difficulty in determining on-line take up and pricing.
- 2.3.2 Warship and Dry Dock, historically resilient, are included with respective ticket prices of £580 x 60 and £1650 x 14. ICCAS 22 Japan £380 x 140 plus £22.5k* of sponsorship has been included in the budget.

* Original figure of £45k reduced by 50% for prudence.

- 2.3.3 Other events/courses include:

- | | |
|----------------------------|-----------------|
| • Protecting Environment | (30 x £150) |
| • Waterjet Propulsion | (30 x £150) |
| • Zero Carbon | (50 x £150) |
| • Autonomous Ships | (40 x £150) |
| • Decommissioning Offshore | (35 x £150) |
| • WEGEMT | 50% income |
| • Cyber | (25 x £500) |
| • Contract Management | (10 x £1,250)** |

** to be staged at RINA HQ in October. Predicted numbers have been reduced from 27 to 10, given attitudes to travel and social distancing and the fact that the course is to be run in the first month of the new year.

2.4 MARKETING:

2.4.1 The sales budget has been left at the 2021 budget figure except for softback transactions which have been reduced by 50% to reflect the fact that IJSCT publications have been discontinued. This budget may still be unrealistic given that actual sales figures to May 21 only achieved Journals (79%) and Bookshop (61%) respectively.

2.4.2 Exhibition costs of £16k are included.

2.5 PROFESSIONAL AFFAIRS:

Income:

- 5% increase in membership fees
- Corporate partners fee income has been increased to £41k.
- 2% increase in Engineering Council receipts and payments
- Benevolent Fund reduced in line with M&G projections and the sale of investments (25%)
- Sponsored student scholarships also reflect a reduction in dividend income and the sale of investments.

Expenditure:

Branch grants have been retained at 2021 levels.

2.6 ADMINISTRATION:

2.6.1 Income:

Budgeted income has decreased to £125k. Income includes £29k in respect of the Annual Dinner which assumes a break-even status that may not be achieved.

2.6.2 Reduction includes:

- No income from internal/external room hires
 - Recalculation of dividend income and the sale of investments.
 - Elimination of bank interest
 - Reduction of Newport Shipping rental income to 50% of lease amount to reflect limited access. The 80% rates discount received by RINA is conditional on the building being mainly used for charitable purposes and precludes any rental generating initiatives.
-

Expenditure:

Please see comments at beginning of commentary.

3. ENCLOSURE TO BOARD 20TH OCTOBER 2021

3.1 Budget commentary 2022

- 3.1.1 The highlights of this budget appear in table 1. Actual results for the eleven months to 31 August 2021 appear alongside and do not reflect the low-income streams forecast in September 2021.
- 3.1.2 The Investment Review strategy and any imminent changes to dividend yield are excluded from this budget as decisions have yet to be made. If a new Fund Manager is chosen, the current high dividend yield of 4.37% would fall by approximately 50% and be replaced by a total return increase. This unrealised gain would not be reflected in the management accounts.
- 3.1.3 The only changes made in this budget revision are a minor restructuring in the Events, Publication and Marketing Departments, facilitated by recent resignations and the shift of the position Production and *Digital Media Manager* from part to full time. The net increased cost of these payroll changes is £6,640.
- 3.1.4 Following discussions with our auditors it has been decided to shift the accelerated depreciation of the investment in the membership CRM 'Horatio' to the current year. This adjustment will appear in the final audited accounts. Accordingly, the 2022 budget depreciation has been reduced by £95,644.
- 3.1.5 Clearly the lack of income remains the key issue, coupled with the need to upgrade IT due to years of under investment. It will take several years to return to a surplus and long-term funding from the sale of Investments will be required to provide adequate cash flow.
- 3.1.6 Capex should ideally be delayed to-coincide with the 2022 membership renewal cash inflow in December/January. Please refer to Appendix 2 for Cash Actual 2020/21 vs. Budget 2021/22.
- 3.1.7 Once the investments are sold the percentages will need to change, reflecting the fact that capex and working capital should be financed from unrestricted funds and increasing the proportion of restricted funds with the associated difficulties of spending restricted monies. Discussion is currently taking place to determine whether the definition of restricted funds can be broadened to part finance the IT capex required.
- 3.1.8 The budget includes the following significant IT related expenses that appear in the Administration division. Please refer to Appendix 1 for figure breakdown:
- Existing computer licences fees £33,000
 - IT move to Cloud £30,000
 - Infosec recurring licence fees (cyber etc) £26,830
-

- New systems development (depreciation) £54,900. (20% of £274,500).

3.2 Summary:

Department	Income	Expenditure	Surplus/ (Deficit)	Actual to 31/08/21
	£	£	£	£
Publications	566,219	700,603	(134,383)	(79,542)
Events	189,225	187,056	2,169	(43,099)
Marketing	148,980	109,832	39,148	(18,511)
Professional Affairs	1,007,772	487,366	520,406	575,615
Administration	125,242	859,179	(733,937)	(631,714)
Total	2,037,438	2,344,036	(306,597)	(197,251)

Table 2 Summary budget vs. actual 2021

3.3 Publications

- 3.3.1 Income streams reflect the 2021 budget with the removal of the 25% discount for COVID.
- 3.3.2 **Internal publications sales**
- 3.3.3 These are an internal transfer and do not affect the final deficit. No provision for any exchange differences has been made.
- 3.3.4 Advertising revenue excludes any provision for contra sales, to avoid distorting income. Any associated expenditure has also been excluded from Exhibition costs in the “Marketing” division budget.
- 3.3.5 Staff costs exclude any recruitment costs. 75% of the Technical Director salary has been recharged to Publications. Internal commissions have been calculated at 5% for SBI print sales and 10% for on-line and Significant Small Ships.
- 3.3.6 Editorial “fees” for Warship and Ship Repair have not been increased. The production fee for Significant Ships has been held at £5k.
- 3.3.7 Editorial contributor budgets remain the same.
- 3.3.8 External commission payments (30%) relate to the agency payments to JP Media Ltd in respect of Naval Architect, Warship Technology, Ship Repair and Significant Ships.
- 3.3.9 Print costs have been held at last year’s budget figure. These should reduce with increased digitalisation.

3.4 Events

3.4.1 The budget should be treated with caution due to the uncertainty of running live events in post COVID times and the difficulty in determining on-line take up and pricing.

3.4.2 Warship and Dry Dock, historically resilient, are included with respective ticket prices of £580 x 60 and £1650 x 14. ICCAS 22 Japan £380 x 140 plus £22.5k* of sponsorship has been included in the budget.

3.4.3 Other events/courses include:

- Protecting Environment (30 x £150)
- Waterjet Propulsion (30 x £150)
- Zero Carbon (50 x £150)
- Autonomous Ships (40 x £150)
- Decommissioning Offshore (35 x £150)
- WEGEMT 50% income
- Cyber (25 x £500)
- Contract Management (10 x £1,250)[†]

3.5 Marketing

3.5.1 The sales budget has been left at the 2021 budget figure apart from softback transactions that have been reduced by 50% to reflect the fact that IJSCT publications have been discontinued. This budget may still be unrealistic given that actual sales figures to September 21 only achieved Journals (77%) and Bookshop (70%) respectively.

3.5.2 Exhibition costs of £16k are included.

* original figure of £45k reduced by 50%.

[†] to be staged at RINA HQ in October. Predicted numbers have been reduced from 27 to 10, given attitudes to travel and social distancing and the fact that the course is to be run in the first month of the new year.

3.6 Professional Affairs

Income

- 3.6.1 5% increase in membership fees.
- 3.6.2 Corporate partners fee income has been increased to £41k.
- 3.6.3 2% increase in engineering council receipts and payments
- 3.6.4 Benevolent Fund reduced in line with M&G projections and the sale of investments (25%)
- 3.6.5 Sponsored student scholarships also reflect a reduction in dividend income and the sale of investments.

Expenditure

- 3.6.6 Branch grants have been retained at 2021 levels, pending further feedback from the regions. Note a top-up mechanism has been activated the branches have to complete the funding form detailing membership, program and activities and monies requested.

3.7 ADMINISTRATION

Income

- 3.7.1 Budgeted income has decreased to £125k. Income includes £29k in respect of the Annual Dinner which assumes a break-even status that may not be achieved.

Reduction includes:

- No income from internal/external room hires
- Recalculation of dividend income and the sale of investments.
- Elimination of bank interest
- Reduction of Newport Shipping rental income to 50% of lease amount to reflect limited access. With COVID restrictions lifted then limited access is being resolved to charge full rent.
- It should be noted that HQ receives 80% rates discount and is conditional on the building being mainly used for charitable purposes. This may preclude any rental generating initiatives, but this is currently under review and opportunities for increasing the building utilisation are being considered. Please refer to Appendix 3 for demonstrating office potential.

3.8 Expenditure

- 3.8.1 Please see comments at beginning of commentary.
-

Appendix 1

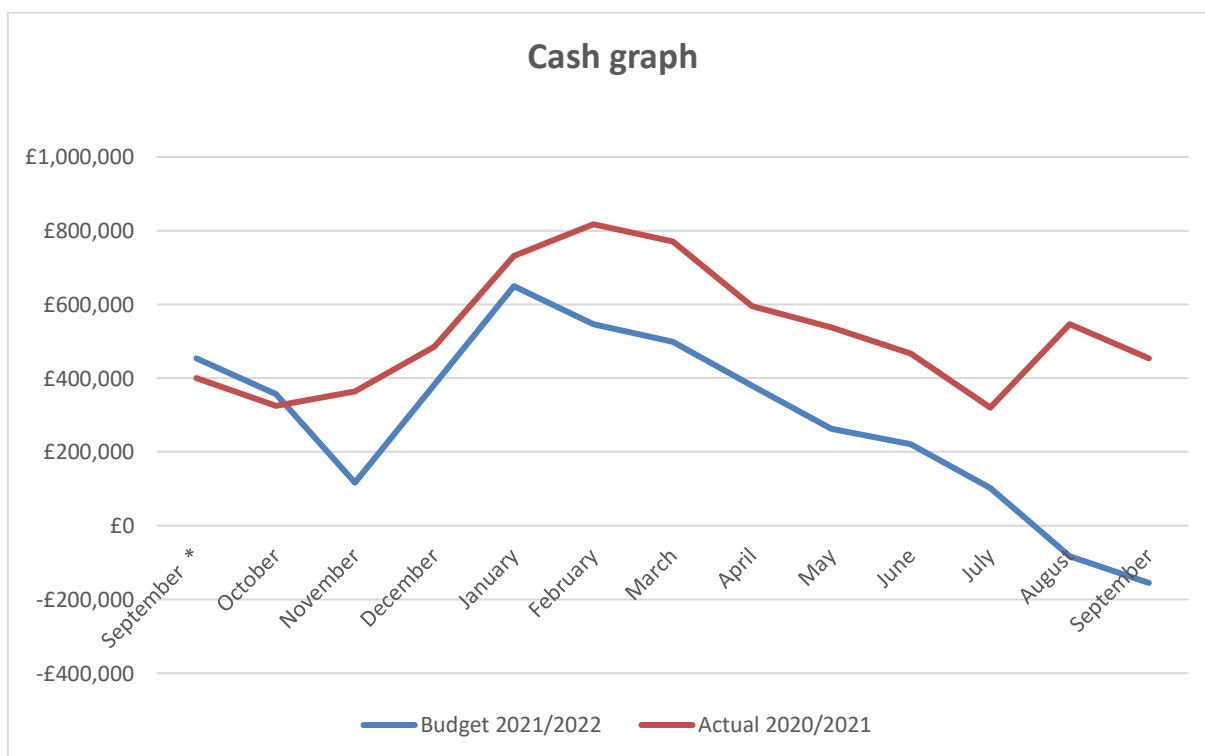
Existing computer licences		£ GBP
PSC Adman (12 @ 329.17)		3,950
Formuspro CRM 2023 support	£450/month	5,400
Forefront e shot (12 @ 441.66)		5,300
Yudupublisher annual licence in marketing dept budget	9,000	
Yudu annual upgrade and support (12 @ 145.83)	1,750	1,750
Ridgeon Online storage FTP hosting package 10gb storage		399
On line invitation system renewal (Sally)		123
Softcat 3 year licence (12 @ 29.26)		351
Sophos 3 year licence (12 @ 62.50)		750
Intergage hosting (12 @ 190)		2,280
Softcat creative cloud licence	3,502	3,502
Softcat acrobat	615	615
Softcat acrobat teams licencing subscription adobe Chris/GG		293
Microsoft 365 / windows 10 licences?	included in phones	
Dropbox licences	5 users 1 year	600
Zoom licences 2 standard pro	2/4/21 to 1/4/22	240
Zoom 500 participants in meeting	2/4/21 to 1/4/22	480
TSG veritas server back up (renewed 27/6/21 to 26/6/22)	412	412
TSG mitel tel app system	200	200
AVS VMR renewal	790	790
TSG Wildcard SSL certificate		554
TSG mimecast security		
TSG Sage (12 @ 185.60)	2,227	2,227
Other		2,784
		33,000
Digital First-recurring costs (IT move to Cloud)		
Annual licences		25,000
Annual training		5,000
		30,000
Infosec cyber, firewall and antivirus licences		
25 Forticlient cloud licences & fortitoken authentication	Secure remote access	2,530
Encrypted email and file sharing licence	Encrypted email/files	550
Quarterly scorecard & internal/external scans	Scorecard /IMO	8,250
Fortiweb on demand application firewall	Web app firewall]	4,400
Anti virus protection 40 x Forti EDR licences	Anti virus protection	3,850
1 Forti Siem licence & managed service	Perimeter firewall	7,250
		26,830
Digital First-new IT systems		Total
Investment case £8000 (2021)		2022 cost (5 yr w/o) 2021
Sage to Cloud	20,000	4,000
Migrate core IT to MS365/Azure	37,500	7,500
GDPR strategy	1,000	200
Cyber strategy	20,000	4,000
Replace membership system	50,000	10,000
Redesign website	60,000	12,000
Social media platform	3,000	600
Improve digital/CPD experience	5,000	1,000
In house programme manager	50,000	10,000
Programme assurance	8,000	1,600
Procurement and technical advice	10,000	2,000
Web and design advice	10,000	2,000
		274,500
		54,900

Table 3 IT cost breakdown


Appendix 2

MONTH	Budget 2021/2022	Actual 2020/2021	
September *	£454,419	£400,474	
October	£356,389	£324,444	
November	£117,362	£364,249	
December	£383,301	£485,337	
January	£649,725	£731,850	
February	£546,623	£817,610	
March	£498,659	£770,111	
April	£380,402	£595,755	
May	£262,277	£537,614	
June	£221,060	£467,414	
July	£102,332	£320,305	
August	-£83,399	£546,732	inc Sale of Charibond £244,047 11/8/21
September	-£155,273	£454,419	
* Actual cash at 30/9/21			

Table 4 Cash actual 2020/21 vs. Budget 2021/22



Appendix 3




FUTURE OFFICE STRATEGY_


Prepared for the Royal Institution of Naval
Architects

8-9 Northumberland Street, London, WC2

September 2021



Welcome to TSP_



The last 18 months have been quite a ride! The pandemic succeeded in turning life upside down and we are now adjusting to the proposition of a 'new normal'.

It has left us asking existential questions, especially about the future of the workplace. It doesn't take a rocket scientist to work out that offices are changing. But it does take a great adviser to help you understand the evolving demands in this new era.

For the last 12 years, TSP has been the UK's only dedicated charity property adviser. No one knows the sector better than us. Now, we're using our experience to support our clients; helping them to adapt and thrive in this new normal.

In this deck, we highlight our expertise through relevant projects and testimonials from some (very) happy clients. We'll also explain how we will partner with you to achieve RINA's goals, and introduce you to the team.

1. Your Requirement_



RINA owns 8-9 Northumberland Street, and you are currently reviewing your future property strategy. There are two parts to your requirement;

Stage 1 – Research & Recommend

1. We will establish the building's current Market Value
2. We will help you understand market terms for leasing office space in Charing Cross & Westminster (rents, lease lengths, tenant incentives etc)
3. We will also help you understand the costs associated with refurbishing the space, or moving to an alternative.
4. Finally, we'll draw conclusions and provide a recommendation based on your objectives, which we will agree with you at the outset

Stage 2 – Action

1. Working with you to achieve your goals.

2. The Solution_



Stage 1 – Valuation & Strategy Report



1. Valuation

A formal valuation underpins the best decision-making:

- Market value ("what's it worth?")
- Consider Town Planning policy and development potential
- Consider legal title, highlighting anything that might affect value
- What are the market trends in the macro and office markets?
- Identify ways of enhancing the property's value
- Comment on the most effective methods of sale
- Report is RICS and Charities Act compliant



2. Strategy Appraisal

Comparing and assessing:

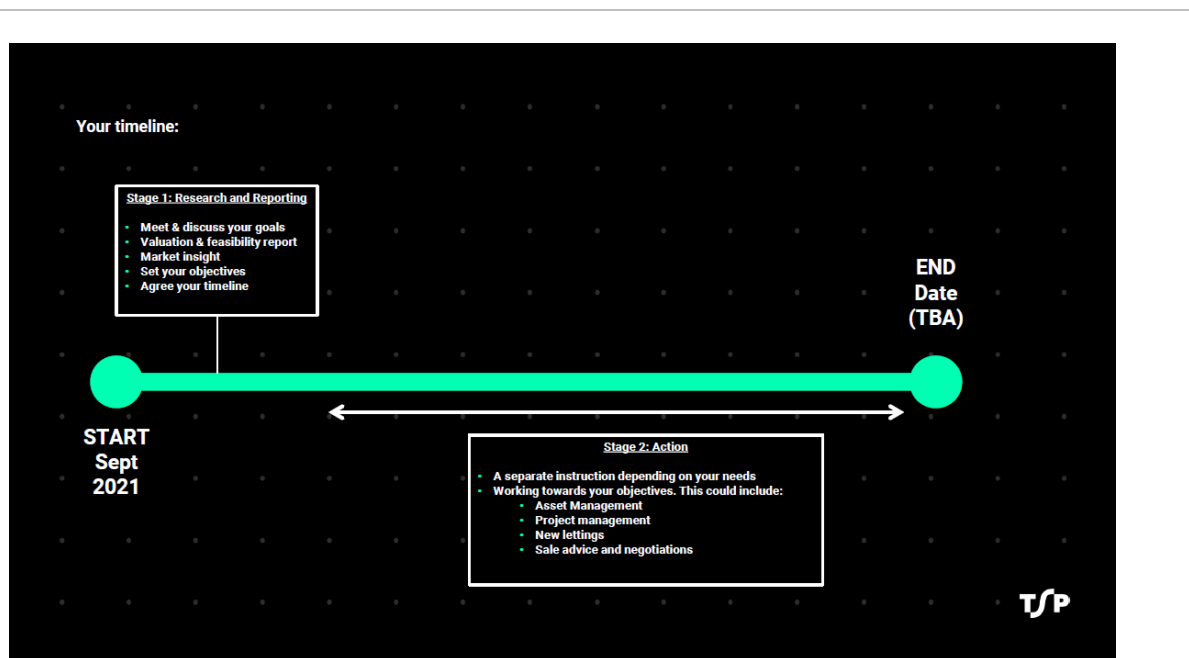
- Options considered: Do nothing, refurbish & letting strategy, or sale and relocation (plus any other options we agree with you)
- Validate current expenditure and income per ft²
- Analyse current income, occupancy costs and building management arrangements
- Form an example search brief
- Identify alternative options currently available on the market
- Analyse and cashflow alternative options
- Provide recommendations and actionable advice, based on your objectives.



3. Extras

To add detail, if needed:

- Staff survey to understand current views and opinions.
- Staff travel time assessment, showing the best locations in London for RINA
- Building survey + planned maintenance costs
- EPC
- Measured survey



Our Credentials_

250+
Charity Clients

80%
Clients are charities

30+
Years experience in the sector

TSP is the leading charity property expert, having advised 250+ charities over the last decade. We're well established, multi-disciplinary and a thought-leader in the sector.

Since foundation, we have been privileged to work with a multitude of incredible Third Sector organisations with shared values and visions.



Our client list includes:

DIABETES UK
KNOW DIABETES. FIGHT DIABETES.

MS Society

nct

**the british
psychological society**

SAMARITANS

DementiaUK
helping families cope with dementia

Bowel Cancer UK
bowelcanceruk.org

Shelter

ClientEarth®

**we are
withyou**

CIA
CHILDREN'S
INDEPENDENT
ASSOCIATION

men-cap
The voice of
learning disability

T/P

6. The Numbers_

T/P

Let's talk money

We want give our clients unbeatable value, and we think you should only pay for what you need. That's why our fees are itemised and staged.

You can employ us for the whole project or only part. There is no obligation.

Item	Cost
Valuation and strategy appraisal	£4,950
Extras (if required)	
Bespoke staff survey	£950
Travel time assessment	£650
Building Survey	£2,500 (est)
Measured Survey	£1,500 (est)

All fees are subject to VAT

Case Studies

Section 1: Valuations & Feasibility Studies



RECENT SUCCESS_



Valuation and Options Appraisal Report

LOCATION: Shoreditch, London

SERVICES: Feasibility + Options Appraisal, 10,700 ft²

The BPS has owned the property for nearly 20 years. The building is used partly as meeting room space (3 floors) which are available for hire, and partly leased to a tenant.

When the tenancy ended, we advised the BPS on:

- The existing freehold and rental value
- Alternative options available (both renting and selling)
- The feasibility of continuing to run a conference centre

Our conclusion was that the BPS should retain the building for the benefit of its staff and members. We are now working with the charity on the leasing strategy.



the british
psychological society



Relevance:

- Acting for charity client
- Deciding to sell or rent after the pandemic
- 3 floors used for meeting room hire, 2 floors let to tenants

RECENT SUCCESS_



Valuation and Options Appraisal Report

LOCATION: Clerkenwell, London

SERVICES: Valuation & Feasibility, 13,000 ft²



Mencap wanted to explore the prospect of selling its building, because Trustees were concerned about charity reserves being too concentrated in property.

We conducted a valuation report and options appraisal, which showed a significant increase in value. We also looked at options like refurbishing and letting, as well as relocating.

Due to high levels of staff satisfaction, Mencap decided to retain the building and complete a 'light touch' refurbishment.

Relevance:

- Acting for charity client
- Deciding whether to sell or stay
- Important Central London asset

Case Studies

Section 2: Lettings



RECENT SUCCESS_



Major Office Refurb & Leasing

LOCATION: Old Street, London

SERVICES: Project Management, Office Letting:

1 x 2,000 ft² + 1 x 1,500 ft²

Locality was considering whether to keep or sell its headquarters building on Old Street.

We conducted a feasibility report and concluded that Locality could occupy less space, thereby freeing two floors to let.

We then oversaw a full refurbishment and modernisation of the building, before successfully letting the surplus space.



Relevance:

- Stay vs go feasibility report started the instruction
- Spare space successfully let to create unrestricted income
- New, high quality office space

RECENT SUCCESS_



Leasing

LOCATION: Shoreditch, London

SERVICES: Office Letting, 2 x 2,000 ft²

The ISTD owns a freehold office in Shoreditch which it has occupied for many years.

The charity refurbished the property for its own occupation, and with the top two floors available for letting.

We successfully let the third floor during lockdown, with the forth floor now under offer and due to complete shortly.

Both lettings were at a market rate and to charities.



Relevance:

- Acting for charity client
- Surplus space was let to generate an income
- Client preferred charity tenants

RECENT SUCCESS_



Leasing

LOCATION: Bloomsbury, London

SERVICES: Office Letting, 1,000 ft²

The HoPT had a spare floor in its office in Bloomsbury. The charity leased the building and wanted to reduce costs.

Despite the national lockdown at the time, we identified a new tenant to take the floor. The letting was agreed quickly and HoPT is now saving over 1/3 on its rental costs.



Relevance:

- Office letting for a charity
- Lockdown letting
- Shared facilities including meeting rooms

Table 5 Proposal demonstrating office potential

4. BOARD FUND STEERING GROUP REPORT PRESENTED BY TREASURER – OCTOBER 2021

4.1.1 The Treasurer updated the Board on the recent steering group activity and the Fund steering group meetings. The following Board members and members of the executive were present:

- Jeff Frier, Treasurer
- Dimitris Monioudis
- Cat Savage
- Chris Boyd, CE
- Ian Blackwood, Finance Director

4.2 Sale of Charifund Holdings:

4.2.1 Following approval at the last Board meeting, the Institution has liquidated its Charibond holdings. The proceeds of just over £244k was transferred to the Institution's bank account at the beginning of August.

4.2.2 Cashflow:

4.2.3 The income resulting from the sale of Charibond assets has bolstered cash flow for the short term. However, it should be noted that the Institution has an estimated budget short fall of around £400k for the 2021 financial year which ended 30 September.

4.2.4 Forecasts for the 2022 budget, which include an element of the approved £400k expenditure for digital transformation, amount to a deficit of £307k.

4.2.5 To meet these commitments, the Institution will retain £1 million in Charifund holdings with M&G Investments. This will facilitate the liquidation of further funds as required and a schedule for draw down is being developed. The remaining assets (£3 million) will be transferred to a new fund manager.

4.2.6 Fund Manager:

4.2.7 In May this year, a periodic review of the Institution's investments was undertaken by an investment consultant. The assessment looked at the investment performance of 18 equity and bond funds (including the present manager M&G Investments) in terms of return, risk, volatility, and cost.

4.2.8 Despite favourable yield results with M&G over the last five years, the review indicated these funds have under-performed and various growth targets have not been met. Unless changes are made, there is a risk that capital will be further eroded.

- 4.2.9 From the information presented in the periodic review, four alternative fund managers plus M&G were selected for a more detailed analysis. Based on this assessment, which considered factors such as track record and investment policy in association with risk profile and fees, a short list of three companies (CCLA, Cazenove and Newton) were invited to give a presentation to the Fund Steering Group.
- 4.2.10 As advised by the CE, it was recommended that the Institution's assets be transferred from the existing fund manager (M&G) to CCLA (Churches, Charities and Local Authorities) Investment Management.
- 4.2.11 This recommendation was based on the following:
- Experience - CCLA is a specialist fund manager with over 60 years of experience that only serves charities and not-for-profit organisations
 - Size - it is one of the UK's largest charity fund managers with over 33,400 clients and funds totalling £9,749 million
 - Performance - CCLA implements robust risk management and offers attractive returns that align with the Institution's objectives
 - Investment policies - focus on environmental, social and governance factors with an ethical policy that reflects the Institution's standards
 - Fees - CCLA has agreed to an initial discount in fees to offset the costs associated with the investment review commissioned by the Institution and the process of transferring the funds. It also offers a dedicated point of contact with regular investment reports and valuations
- 4.2.12 There have been no objections to this recommendation and therefore approved and a meeting with CCLA to start the transfer process.

5. ENCLOSURE 4 DIGITAL PROJECT UPDATE

5.1.1 The report was presented by Lucy Santini, Chair Digital Steering group.

5.1.2 The following activities have been undertaken and the project is underway:

1. RINA-GOV-0001 Governance Framework Execution Plan rev 1 – see attached for reference.
2. Governance Authority
 - Board Governance Members
 - Lucy Santini – Chair
 - Edwin Pang – Trustee
 - Andy King – member
 - Adrian Pattison – member
 - Jesse Millar – member
 - Senior responsible officer – Chris Boyd
 - Technical Authority
 - Chris Boyd – Chief Executive
 - Edit Walsh – Finance Manager
 - Jim-Ray Semanhyia – IT
3. Project Manager selection – 3 options interviewed:
 - Digital First candidate – independent Stuart Hilton - *specialises in managing the delivery of technology-enabled change, business transformation programmes, partner sourcing, shared services delivery, and business continuity management*
 - Independent candidate – *Luke Hetreed -extensive programme leadership & transformational delivery experience with expertise in successfully rescuing and recovering projects and workstreams, ensuring delivery. Promotes a ‘consultative’ leadership approach, promoting a ‘change culture’, understanding the challenge of an organisation’s BAU & technology demands, able to articulate complex IT concepts to a non-IT audience*
 - Lufthansa Industry Solutions [LHIND » Digital transformation - IT consulting for your company \(lufthansa-industry-solutions.com\)](https://www.lufthansa-industry-solutions.com) . *Currently discussing a 2-day digital workshop for LIS to assess the requirement and potentially offer turnkey solution.*
4. Timeline – October interviews and appoint Digital Program Manager:
 - Technical specifications – Nov21-Jan22+
 - Procurement – Dec21-Mar22+
 - Project implementation Jan-Apr22+

5.1.3 Enclosure 4 appendix RINA_GOV_0001 Governance Framework Execution Plan rev 1 was issued for reference within enclosures.

6. SPLITTING THE ROLES OF PRESIDENT AND CHAIR

6.1 Board Proposal for Consideration and/or Approval

- 6.1.1 At the previous Board meeting it was proposed that the Board consider splitting the roles of President and Chair. The reasoning and proposed timings to do this are outline below.
- 6.1.2 Splitting the roles of President and Chair - Board Proposal for Consideration and/or Approval
- 6.1.3 At the previous Board meeting it was proposed and discussed that the Board consider splitting the roles of President and Chair. The reasoning and proposed timings to do this are outline below.
- 6.1.4 Currently RINA has the office of President, and the incumbent is also ex-officio Chair of the Board of Trustees and Chair of Council. This office rotates every 2 years. The need to begin nominations for the next President and Chair will begin shortly in advance of the next President and Chair taking office on the first day of July 2022, so if the proposal is supported this is an opportune moment to make this change to the organisation's governance. Note that the current President is eligible for re-election.
- 6.1.5 The current By-laws state that *"The President of the Institution shall be ex officio Chairman of the Board of Trustees"* and *"The President shall be the senior representative of the Institution and Chairman of the Board of Trustees."* Ref "Objects By Laws and Regulations 2019, 4(c) and 19(a)". It is understood that the proposed amendments currently being discussed with the privy council will allow these to be split or retained as a single post as the Board see fit. It is proposed that we discuss and agree the approach proposed below in anticipation of the changes to the By-laws.
- 6.1.6 The proposal is to split the offices of President and Chair of the Board of Trustees for the following reasons.
- The roles of President and Chair do not necessarily require the same skillsets and by combining both roles, the number of suitable individuals available is more limited. Separating the roles would enable the appointment of two individuals who each excel in their own position. The proposed split of roles, responsibilities and skills are outlined further below.
 - The role of President and Chair both require a level of commitment and contribution to RINA. Combining the roles reduces the number of people available that can commit sufficient time to providing the support required to fulfil both offices.

Role of the President (without the responsibilities of the Chair)	The Role of Chair of the Board of Trustees
President of Council, the Institution's principal ambassador and ceremonial figurehead.	The Chair would carry the legal responsibility for all the Institution's activities (together with other Trustees)
The rotation of the role of President every 2 years (as at present) allows RINA to benefit from refreshing one of the outward looking faces of the Institution and to demonstrate the breadth and depth of the organisation and skilled individuals we have across the Institution.	The Chair would be appointed from the existing Board members by the Board members for a 3-year term, including if they are part way through a term as an existing member of the board. The Chair can be reappointed for a second 3-year term.
Without the responsibilities of Chair, it should allow us to attract a larger number of respected, senior members into taking the position of President alongside their own work if the commitment is not too great or for too long (a 1–2-year period).	The role of Chair should be held by an individual with Board level experience (or equivalent), preferably as a Chair and may even be a remunerated post.
In this role we are looking to have a figurehead and respected member of the RINA community who can use their visibility and network to support RINA in promoting itself to a wider audience as well as engaging with its current membership.	The Chair would be focused on the oversight of all affairs of the Institution, especially (but not only) legal, financial, governance, and strategy, and not on the ceremonial and externally facing President's responsibilities.
The President would formally report on behalf of Council to the Chair and be an ex-officio member of the Board	A 3-year tenure with the potential of a second 3-year term would provide greater levels of consistency through a series of financial years and through delivery of a Board strategy and would allow for the initial learning curve to have greater benefit.
	A Deputy Chair would be appointed by existing Board members by the Board members on an annual basis.

Table 6 Role split President vs. Chairman

Notes

- By-Law 2 Board of Trustees
 - *The Board of Trustees is the governing body of the Institution, responsible for the governance and management of the Institution.*
- By-Law 4 Duties of the Board

- *It shall be the duty of the Board to adopt every possible means of advancing the Objects of the Institution, and to provide for the proper conduct of the business of the Institution*
- By-Law 4c Composition of the Board
 - *The President of the Institution shall be ex officio Chairman of the Board of Trustees*
- By-Law 13 a Composition of the Council
 - *The President of the Institution shall be ex officio Chairman of the Board of Trustees*
- By-Law 19a President
 - *(a) The President shall be the senior representative of the Institution and Chairperson of the Board of Trustees. They shall hold such powers as are delegated to them from time to time by the Board and the Council. They shall hold office for a period of two years and shall then be eligible for re- election for a term or terms not exceeding two years in aggregate. Before the conclusion of their term of office, the Council shall nominate a President for election or re- election at the Annual General Meeting. If the person so nominated is not a member of the Institution, they shall forthwith be elected a member before the Annual General Meeting.*
 - *(b) The President shall take office on the first day of July immediately following their election. When they are present, they shall preside over all meetings of the Institution and over all meetings of the Council.*
 - *(c) Past Presidents, except for the immediate Past President, shall not be ex officio members of Council but shall receive all Council papers and shall be entitled to attend and take part in discussion at all meetings of the Council but not to vote thereat.*

6.2 Action

- 6.2.1 The role split was approved by the Board and CE to make an informal proposal to the Privy Council notifying them of changes to the By-Laws.

7. CHIEF EXECUTIVE REPORT

7.1 Period 22nd July 2021 – 20th October 2021.

7.1.1 This report covers the period 22nd July – 20th October 2021.

7.2 Headquarters

7.2.1 COVID – HQ opened for a phased return to work Tuesday-Thursday from August 1st, 2021, following the easing of UK Govt. restrictions. Staff have worked effectively from home and the office.

7.2.2 Should it be necessary to gain access to the building there is a key staff rota who can arrange access Monday-Friday 9am-5pm, but Sally Charity, Executive Officer, should be contacted in advance if it is deemed necessary to visit the office. The Chief Executive has been reviewing the utilisation of Headquarters and occupancy with a focus on getting the tenants back to paying full rent.

7.2.3 Visitors have been received at headquarters and the Windship propulsion conference in association with the IWSA was successfully held in September.

7.3 IT

7.3.1 The digital governance framework has been completed and the Digital Transformation Steering Committee (DTSG) formed to oversee the implementation phase of the RINA digital projects. Three candidates have been assessed and interviewed for the program management role with specific focus on the digital roadmap, technical specifications, procurement and management of contractors and budget.

7.3.2 The program includes a new website, moving into the cloud, new membership CRM and reducing patchwork management.

7.3.3 Currently the Tribe membership CRM mailing system is no longer supported by Microsoft, so IT have found a temporary solution enabling bulk emails to be sent to members before moving to the cloud-based system. This enables renewals 2022 to be issued without delay.

7.4 HSSE

7.4.1 Nothing to report apart from reiterating that all staff have cloud access to BrightHR and BrightSafe apps enabling training videos and easy access to HSE policy, procedures, and risk assessments.

7.4.2 STAFF

- Promotion - Tash Greene from Publications Sales Assistant to Publications Sales Manager. Tash will manage the marketing dept. with John Morecroft managing the communications.

- *The Naval Architect* and *Ship & Boat International* editorial assistants resigned to focus on other opportunities. Interviews have been carried out for *The Naval Architect* Deputy Editor and an offer of employment has been made, and under consideration.
- Interviews have been carried out for the Events Coordinator vacant role and an offer has been made and under consideration.
- Training – this is being addressed and staff skills mapped in competency matrices. Ongoing and roles and responsibilities have been developed but need to be completed for all staff positions.
- Roles and Responsibilities have been mapped and to be rolled out in November during the next townhall meeting.

7.5 REGIONS

- 7.5.1 The CE has held meetings with Rob Gehling, VP Pacific and has also held discussions with Bruce Rosenblatt regarding the America's looking at the heatmap in this region. The dry-docking course is currently under consideration for a Middle East program and the CE and VP are considering options for March 2022.
- 7.5.2 The digital tools will enable better coordination of branches and members.

7.6 BRANCHES

- 7.6.1 Branches have maintained online meetings, delivering lectures and I have enjoyed attending meetings as the Chief Executive, including the recent North West Branch and Devon and Cornwall Joint Branch meetings.

7.7 VISITS

- 7.7.1 The Chief Executive visited The University of Plymouth, University of Newcastle, and the High-Speed Boat Operations forum in Gothenburg Sweden.

7.8 AOB

RINA Fund review

- 7.8.1 The CE has supported the Treasurer in organising the Board Digital Fund group review of RINA Charifunds currently managed by M&G. Independent Investment Reviews Ltd provided consultant services and issued questionnaires to all funding managers and collated the responses enabling the Board Funding Group to select Casenove, CCLA and Newton funding management companies to present and CCLA were selected by the group to manage RINA Charifunds.
- 7.8.2 The Charibonds £244k were sold as per the last Board meeting instruction to cover the cashflow deficit in 2021.

Membership benefits

- 7.8.3 Membership has remained stable and membership revenue has been steadfast. We encourage everyone to reach out amongst your network and recruit members. Interestingly the Professional Affairs Dept. is currently looking at RINA member benefits, or rather asking the questions '*what are RINA member benefits?*', as it is recognised that what we may consider as benefits may be viewed by younger generations as just a requisite and what should be supplied as a minimum, so what are our benefits?

Collaboration

- 7.8.4 Various meetings were held with Corporate Partners to discuss RINA support and areas of synergy and growth development including, but not limited to:
- Maersk Moller McKinney Centre – knowledge partners
 - Bureau Veritas Marine & Offshore
 - Royal Navy Museums and Heritage
 - Maritime UK
 - UK Govt. select committee
 - BAE Submarines
 - Universities – Plymouth, Newcastle, Strathclyde, Southampton, Solent amongst others.
 - Royal Academy of Engineering

8. ANY OTHER BUSINESS

8.1.1 Edwin Pang commented on CE to provide clarity on the Business Strategy and CE commented that this is being written into the digital tools for easier reportage. Work ongoing.

8.1.2 Tom Allan recommended that a finance sub committee should be formed by the board to support the financial governance to include the Treasurer's recommendations following the financial audit and included in the policy and procedures.

8.1.3 A recommendation was made to consult the IMO calendar and correlate RINA events and working groups. The CE acknowledged that this is part of the digital tools program and an important comment raised.

8.2 Date of Next Meeting

8.2.1 The next meeting will be held at 11:00 GMT on Tuesday 18th January 2022.

8.3 Action arising or outstanding from the meeting.

8.3.1 Action 02/21. The CE to review the financial policy and procedures and management system. CLOSED

8.3.2 Action 05/21. The CEO to discuss with WG-21 the structure of the secretariat. CLOSED

8.3.3 Action 06/21. The executive working to review member benefits and communication strategy. ONGOING

8.3.4 Action 07/21. The executive to review the publications and ways to increase numbers, refresh, and revamp magazines. Part of digital project and ONGOING.

8.3.5 Action 08/21. The executive to review online events and look at new education and learning events. ONGOING.

8.3.6 Action 10/21. The CE to investigate to develop pilot scheme to assess cost, resources, IT equipment etc., for student access (members only) to attend events using the restricted funds. ONGOING.

8.3.7 Action 11/21. The Finance Director will investigate options for balancing the shortfall while maintaining sufficient operating funds. CLOSED.

8.3.8 Action 13/21 The CE will discuss the potential of life membership with the membership committee. ONGOING.

- 8.3.9 Action 14/21 – Fund review - Ian Blackwood to contact Neil Thomas, Independent Investments to propose conference call with the Fund steering group. CLOSED.
- 8.3.10 Action 19/21 – The Treasurer to liaise with the Chief Executive to incorporate recommendations made from the treasurer’s finance audit report and update the policy and procedures where applicable and set up the finance subgroup. ONGOING.
- 8.3.11 Action 20/21 - The role split between the President of the Council and Chair of the Board was approved by the Board and CE to make an informal proposal to the Privy Council notifying them of changes to the By-Laws. ONGOING.