

APPENDIX 3

Southwark Human Rights Race and Equalities Bureau

Response to letter from Stephen Douglass, Head of Community Engagement, LB Southwark of 21.09.2009

The SHRREB Council of Management has considered the contents of the letter from the Council, dated 21 September 2009. In the letter the Council raises a number of concerns and these are dealt with in the following paragraphs:

Governance (response to each of four bullet points in letter)

1. It is accepted that the AGM was not held within the stipulated time limit. Audited accounts were produced in time for a meeting in late autumn 2008 but during this period there was the review by Sean Baine jointly commissioned by the Council and SHRREB which reported in November 2008. Following this review there was a period of consideration and a review of the constitution. At this time there was considerable pressure on the one member of staff responsible for governance and running the organisation and the calling of the AGM got delayed until it was outside the required period and the Charity Commission became involved. (Ironically if the matter had not been referred to the Charity Commission the AGM would have been held by now.)
2. For some time the Board had only two members – this resulted from the Council request in 2007 that the complete Board should resign. This was then increased in 2008 to seven members and during this period the work programme was agreed and the Board worked productively together. However one Board member then resigned due to changing jobs and another resigned in 2009. Then there was a period when the Board was split over the allegations against the Acting Chief Executive. Following the involvement of the Charity Commission the Board was reduced to two as the term of office of the co-opted members came to an end at the latest date when the AGM should have been held. Therefore there are currently two Board members. The minimum number required by the constitution is two and therefore at all times the Board has been properly constituted. However it is accepted that this is not an ideal situation and work is being undertaken prior to the AGM to increase the numbers standing for election.
3. We do not agree that the potential conflict of interest in relation to one of the Board members was not effectively managed. The Board member in question made an intervention in favour of her sister who is a member of staff. This was done out of ignorance of the conflict of interest rules. When the conflict of

interest was pointed out the Board member then made no further similar interventions and declared her relationship with her sister as a matter of course. This person is no longer a Board member.

4. It is accepted that the Board was split over the one issue of allegations against the Acting Chief Executive and this did have an impact on the work and governance of the organisation. However the Board has now accepted the investigation report into the matter and the two trustees who had initiated the allegations are no longer trustees. However, as argued later in this report, the main constraint on furthering the work programme has been the lack of staff resources and not problems in the trustee body.

Management (response to each of 6 bullet points in letter)

1. In general the legal department has delivered effectively having made a small profit whilst operating a full cost recovery budget for the first time in 2008-2009. We have almost reached our annual targets in terms of new matter starts and have been successful in a high percentage of our casework often working in conjunction with organisations and agencies providing various other services to our shared clients. The caseworker in question in relation to the complaint was appropriately disciplined with the full approval of the board and is no longer an employee of this organisation following an investigation as to why a file transfer request was not adhered to within a reasonable time of it being requested.
2. It is accepted that it was a mistake not to include our Southwark Council monitoring officer in the mail out which went out to all clients
3. A letter was posted to all clients on our database (a copy of which was later provided to our monitoring officer at a board meeting where the matter was discussed). The letter outlined an emergency number for clients to call, provided the date when the office would re-open and arrangements were made between the Acting Director and the Head of the Legal Department to manage this process until the office resumed after the Christmas period. A message was also left on the main office number providing the same information.
4. Most of our partners within the advice network contact staff via work mobiles and several were in contact during the closure period to clarify to clients the letters they had received. It was also admitted and agreed at a board meeting relating to this issue that SHRREB would ensure all advice network partners were informed when the office was closed for any period of time. Other methods have also been employed as we are only are staff team of 4.

5. The only governing document which the Board has adhered to throughout its term has been the correct governing document – this has been confirmed with the Charity Commission. Based on that document and the subsequent delay in resolving matters within the Board the three co-opted members time in office expired on the same date the AGM was due to be held 9th January 2009. The Charity Commission will only recognise the formally elected members of the board and are willing to work with them to call a prompt election in order to address any issue regarding governance. These matters were being discussed as part of the review of the constitution and could have been resolved within the Board without involving the Charity Commission.
6. Delays in updating bank signatories. The investigation into the allegations against the Acting Chief Executive resulted in the Board agreeing to change the signatories to any two of the trustees instead of the existing Chair and Acting Chief Executive. Because this could not be implemented immediately it was agreed that all invoices had to be signed off by two trustees before any cheques were signed and this procedure has been followed since that decision. We were advised that changing signatories would take some time and with an AGM coming up it was considered not worth while going through the change process when new signatories would probably be needed after the AGM.

Conditions of Grant Aid

A number of alleged breaches of grant aid are mentioned. The non-holding of the AGM and the question of conflict of interest have already been dealt with. We believe that in general there are good management and financial practices e.g. the accounts are audited and the auditors in recent years have not qualified the accounts in any way. Throughout all the governance difficulties, and the absence of a senior solicitor, the legal service has continued to be delivered and LSC targets to be met.

With reference to the investigation into alleged financial impropriety the Council has seen the final report produced by Sean Baine and this has now been accepted by the Council of Management. The report found that while mistakes had been made there was no evidence of any financial impropriety. The letter states that “we are disappointed that this has not yet resulted in satisfactory actions being taken by SHRREB to resolve the situation.” This is entirely incorrect. The Board meeting on 3 June 2009 agreed, amongst other decisions, the following:

- the signatories to the bank account should be changed to all the trustees with any two having to sign all cheques
- pending the change in signatories all invoices should be authorised for payment by two trustees before Viv Lamaro and Clarence Thompson sign any cheques

- any changes to the payroll should have a written note of authorisation on file signed by two trustees – and this note of authorisation should be sent to LAP who operate the SHRREB payroll
- each £200 of petty cash should be reconciled before a further cheque for £200 is signed
- any grievances that staff have against the CEO or Acting CEO must go to the Chair who is obliged to report the receipt of any such grievances to the first possible Council of Management meeting
- a register of interests for Council of Management members be established
- only the Chair and the CEO, or anyone they authorise, are authorised to communicate with Peninsula
- confirmed that it is the responsibility of the CEO or Acting CEO to advise the Council of Management on all budgetary matters

Following the investigation by Sean Baine these actions were confirmed. And the full report has now been accepted by the Board.

Fit for purpose?

The Council has concluded that SHRREB is not fit for purpose. The Trustees disagree and in the following paragraphs put forward the case for maintaining support for SHRREB over initially the next three months and then, after SHREB has demonstrated that it is moving forward in a satisfactory manner, for a further three months during which a decision is made about grant aid for 2010/2011.

There has been one major issue which has split the Board in the last year which has been the allegations of financial impropriety by the Acting Chief Executive. Following an investigation report this matter has now been resolved. At all times in the last two years the Council of Management has been properly constituted in that it has always had at least two members as required by the constitution. The one failure has been to hold an AGM within the required time and this matter is now being dealt with under the supervision of the Charity Commission. We have now received authority to hold an AGM on the 2nd November 2009 where a new stronger Council of Management elected.

The failure to hold the AGM within the required time was symptomatic of the major problem that has been facing SHRREB over the last two years – a lack of staff resources. Following reconstruction work carried out in 2007 and which involved an external consultant a Chief Executive Officer started in January 2008. However she resigned in April 2008 along with the Chair. This led to the review carried out by Sean Baine which reported in November 2008 and which the Council then accepted. During this period new trustees were recruited and consultations took place about a work programme. In the early part of 2009 the Board considered the need to appoint

a new Chief Executive Officer and took a decision to go ahead with an appointment. However in May this decision was overtaken by the Board decision to suspend the Acting Chief Executive and by concerns over the holding of the AGM and the involvement of the Charity Commission. At this point the Council specifically advised the Board not to go ahead with the appointment of a Chief Executive Officer.

This sequence of events has meant that since April 2008 the Acting Chief Executive Officer has been the only full time member of staff involved with the general running of the organisation, governance and policy development. Since April 2009 she has been assisted by Sean Baine working one day a week. However his time has been mainly spent on governance matters and on the investigation into the allegations made against the Acting Chief Executive.

In June 2009 the Head of Legal Services went off ill and has been off ill since then. This has meant that the Acting Chief Executive Officer has had to be involved in ensuring that all cases were being properly dealt with and, in particular, that there was adequate representation at tribunals and in court. In addition during this period the Legal Services Commission announced a reduction in their financial support and this has meant additional work in revising budgets.

All of this has meant that there has been little time for policy development and attendance at key meetings and groupings.

In order to improve this situation the Board has now agreed that Sean Baine will work three days a week starting in mid October. A third quarter work programme has been agreed and is attached.

The key deliverables to be achieved by the end of 2009 are:

- Holding of AGM and election of Council of Management. Away day for Council of Management.
- Continuation of legal service meeting LSC targets and new LSC bid submitted for 2010. Networking with advice network and other organisations.
- Racial Incidents Forum – reconfirm SLA with Southwark and participation of Key stakeholders, host a consultation meeting to discuss areas of concern and key issues to be incorporated into the questionnaires
- Race and Equalities Education Forum – agree Forum structure and work plan prior to first meeting in January 2010
- Employment paper – produce paper and hold launch event

- Mental Health and BME Communities – collect monitoring statistics from Southwark PCT on mental health and produce a current position paper based on findings. Consult with BME groups on report findings to identify issues and gaps.
- Developing a Gender Perspective - initiate discussions and start mapping process of services currently provided in Southwark.
- Homophobia – agree programme of work after consultations with LGBT community groups
- Meetings – attendance at all Equality and Diversity Panels, Southwark Infrastructure Group meetings, CIRAG meetings and Council/VCS Liaison meetings in the quarter
- Event – hold one public event on Single Equalities Bill

Conclusions

SHRREB believes that it can demonstrate in the period up to the end of December 2009 that not only is it a body “fit for purpose” but that it can make a meaningful contribution to the development of human rights in Southwark. The programme it is proposing is challenging but achievable. At this point in time it is not asking the Council to make any long term commitment but to judge SHRREB according to its performance in the next quarter. The Council of Management is committed to this programme of work and the staff resources are now in place to achieve a step change in performance.