

**MINUTES OF THE ANNUAL GENERAL MEETING OF
THE ROYAL ENGINEERS OFFICERS' WIDOWS SOCIETY
HELD VIA ZOOM ON WEDNESDAY 17TH NOVEMBER 2021**

Present: Lt Gen R Wardlaw (in the Chair) and 21 other members

The Chair opened the meeting at 1705 hours and welcomed attendees to the Annual General Meeting of the Royal Engineers Officers' Widows Society explaining how the agenda and, specifically, voting would be delivered via Zoom. He confirmed that this would be his final meeting as Chair and that Brig John Clark would assume the Chair at the conclusion of the AGM.

Item 1: To Accept the Minutes of the Annual General Meeting held on Thursday 15th October 20209

The motion was proposed by Col (Retd) JF Crompton, seconded by Brig (Retd) DR Innes and carried.

Item 2: To review activities of the last twelve months

The Chair reported that the Society had continued to enhance its administration with the conclusion of the membership audit and improved communications with all Members. This included a second annual newsletter and targeted comms with Members registered as single in order to ensure their circumstances had not changed. The migration of subscription payment via standing order to direct debit had continued with 80% of under 43 year olds now paying in via the automated system. Following the adoption of new Articles and Rules last year, 15 members have registered long term partners and the Rules remain under constant review, and, under Item 4, two adjustments to the Rules assimilated through Council Resolutions passed in October (under Article 66) were to be highlighted.

A detailed marketing plan had been agreed in May this year, and this delivered improved engagement with potential new Members, principally amongst Regular Troop Commander Courses. The Chair highlighted his thanks to Major Ruth Breslin (about to handover as the Training Adjutant) and Brigadier Joe Fossey who, as Comd 8 Engineer Brigade, had had some success in conveying the benefits of REOWS membership to young officers. The Chair reported 22 new Members since the last AGM, the highest signup rate since 2016.

The procurement of a new database has been delayed until Q2 2022 due to the high level of activity conducted in the last 12 months, including: the selection and appointment of new Auditors; the appointment of three new Council members and the production of an Actuarial Review underpinning a Benefits Review.

The Chair provided an update regarding the 'Beauty Parade', also delivered this year, to select an Investment Manager for the Annuity Fund which also absorbed a great deal of effort. In a highly competitive process that saw a longlist refined to six requests for tenders, three investment firms were invited to present to the Investment Management Committee in September. The Chair confirmed that James Hambro & Partners who have served the Society very well since 2013 were the standout candidates of a quality field and were therefore re-appointed for an initial two year term, and up to a maximum of six years before the next selection process must be run.

The Annuity Fund now stands at just under £7.8M, up 13% from £6.9M last year. Improved subscription income this year and a reduced mortality rate amongst members means that unlike in

recent years, no funds have been drawn from the portfolio to date this year in order to finance benefits payments.

The Chair turned to the Samaritan Fund. Continuing to support dependents of deceased RE officers in the UK, Australia, Kenya, Zimbabwe, France and Spain. In conjunction with the Officers' Association the Charity will disburse a total of just under £30,000 of support to, currently, 11 recipients, down six on last year. BlackRock continues to manage the Charity's portfolio within its Armed Forces Growth and Income Investment Fund. This was currently valued at just over £532,000, up 10% from £483,000 from last year.

The Chair highlighted the symbiotic nature of the Annuity and Samaritan Funds: the Society through its governance allows the Council to minimise the overheads associated with running a Charity, and the Charity can support dependents of RE officers who were not Society members thereby underpinning the altruistic nature of the Society as a whole, which appeals to both current and potential REOWS Members.

Society Membership now sits at 762, a net decrease of 24 (despite 22 new Members), due to the conclusion of the membership audit which saw a further 13 lapses or resignations and, of course, Member deaths (8). Since the audit just four Members have decided to end their membership.

The Society has lost three Beneficiaries (all widows) this year and gained seven new Beneficiaries, a total of 92. One has had her annuity payments suspended having fallen out of contact with the Society – a driver for one of the Rules changes adopted. COVID-19 has not had a noticeable effect on mortality rates, with one Member dying as a direct consequence of the condition.

Item 3: To note outcome of Benefits Review.

The Chair confirmed the context of the review, namely that benefit rates had not been increased since 2008 despite a subscription rate increase in 2014 and whilst it might have been possible to increase benefits last year, there had simply been too much ongoing market volatility, and the membership audit has not fully run its course.

The Actuary therefore produced a report based on the Society's assets and liabilities as at 30 June 2021 in which he assessed how they were balanced over the long term, based on the application of what the Council regarded as a very conservative interest rate. The Council was then faced with the decision of how much of the declared surplus should be used to 'finance' any benefits increase and what proportion should be directed towards lump sums versus annuity payments. The Chair confirmed that the Actuary concluded that there was no pressing requirement to increase subscription rates for new Members.

After much healthy discussion the decision was made that with effect 1 January 2022, both elements will increase by 10%. This means Lump Sums will increase from the current £4,000 per unit to £4,400 per unit and annuity payments from £450 per unit per annum to £495 per unit per annum. All Beneficiaries already in receipt of annuities will benefit from both this and all future increases. Subscription rates for new Members will not, at this stage, be increased.

Whilst the Council could have implemented even larger increases, there was consensus that a slightly more conservative approach this year would potentially set the conditions for more frequent, modest increases in future years, ensuring Membership remains attractive to both existing and future Members.

Item 4: To note amendments to the Rules of the Society.

The Chair explained that adoption of the revised Articles and associated Rules of the Society last year provided the Council the ability to make 'tactical adjustments' to the administration of the Society. If such changes were viewed as contentious, the Council could choose to put proposals to the Members for a vote.

As alluded to earlier, two areas have emerged over the last 12 months where the Council considered changes to the Rules were warranted. One area was regarding unclaimed benefits and the other was, in the wake of recognition of long term partnerships, how it would be applied to Members who had paid in at the single rate for the majority or, indeed, entirety of their paying-in term.

The changes, which were to become effective following the AGM, had been made available to Members on the website via the link at the base of the agenda.

Dealing first with Unclaimed Benefits: the Chair explained the need to amend the rules arose following the next of kin of two deceased members in October 2020 notifying the Society of the deaths but thereafter failing to claim the lump sums due. Furthermore, two Members (both widowers) who died in 2010 were also recently identified. In a similar vein, Beneficiaries are required to complete an Annual Declaration – if nothing is heard back the Secretary will follow up. Currently one registered beneficiary has not been back in touch for four years.

Following this year's audit of the 2020 accounts the advice was to apply FCA rules (despite not being regulated by the FCA) which essentially mean that the any unclaimed benefits must be paid to a registered charity after six years. To that end Rule 7.2 had been amended to provide a mechanism to officially de-register a Beneficiary having not heard from them for six years and Rule 7.6a sets out the procedure for transferring Lump Sum benefits from the Annuity Fund into the Samaritan Fund Charity after six years. Where the Beneficiary's date of death cannot be ascertained, the amount of unclaimed annuity payments is not quantifiable and therefore, they are to be retained within the Annuity Fund. In the Council's opinion these rule changes represent essential housekeeping.

The Chair then turned to the issue of over 60s wishing to register a long term partner or spouse having subscribed at the single rate throughout their paying-in term. This issue arose following a 58 year old single Member asking questions of the Secretary which highlighted an unforeseen, potential consequence of the move to recognise long term partners from last October. The Council weighed up how to implement additional measures to ensure fairness across the Membership, namely, to prevent full rate benefits being paid out when only single subscriptions had been paid in. Rule 4.8a had therefore been introduced which was designed to (a) explicitly prevent Members from registering a partner if they have subscribed only at the single rate throughout their paying-in term of their membership (i.e. for the majority, those over 60s) and (b) ensure that Members who do register either a legitimate Long Term or Legally Recognised Relationship within ten years of the end of their paying-in term, must extend their paying-in term so that they are committed to subscribe at the full rate for 10 years.

The Council accepts that this amendment might be viewed as more controversial than dealing with unclaimed benefits but view this amendment as largely precautionary as well as vital to ensuring fairness.

Item 5 To adopt the 2019 Report and Accounts for the Annuity Fund

The Reports and Accounts had been posted on the REOWS website in October 2021. Alexander Reeve (AR) asked if would be possible for a James Hambro representative to attend future AGMs so

that more technical questions regarding fund performance, expense ratios could be posed. The Chair stated that he thought this would be inappropriate and explained that the Investment Management Committee, advised by an independent investments expert, monitors fund manager performance. If there were questions, then they would be welcomed but should be given to the Investment Committee for them to ask in their meetings with the investment house. AR agreed and confirmed that he would send some questions to the Secretary.

The motion was proposed by Col AG Ryan, seconded by Brig (Retd) DR Innes and carried.

Item 6: To accept the resignation from the Council of Lieutenant General R Wardlaw.

The Chair confirmed that he planned to step down from the Council having joined it in 2013 and been Chair since 2017.

The motion was proposed by Maj (Retd) JP Auld, seconded by Col (Retd) JF Crompton and carried unanimously.

Item 7: To accept the resignation from the Council of Major General DW Southall.

The Chair thanked Maj Gen David Southall for his contribution to the Council since 2017. He needed to step down having taken on the Chair of the RE Museum in October 2020.

The motion was proposed by Brig (Retd) DR Innes, seconded by Brig JE Fossey and carried unanimously.

Item 8: To elect Brigadier JE Fossey as a Council Member.

Brig Joe has been appointed to the Council to fill a 'causal vacancy' generated by Gen David stepping down last year. The Society needed to formally elect him to the Chair

The motion was proposed by Brig JL Clark, seconded by Maj (Retd) JP Auld and unanimously carried.

Item 9: To elect Lieutenant Colonel AJ Scott as a Council Member.

In order to maintain a minimum of five Council members in accordance with the Articles, Lt Col Anna Scott's election to replace the Chair's departure was sought by the Council.

The motion was proposed by Brig JE Fossey, seconded by Lt Col CB Adams and carried unanimously.

Item 10: To elect Mr AP Taylor as a Council Member.

Looking even further ahead in terms of succession planning the Council was keen to ensure the Council had a Member with third sector experience and therefore cast the net amongst Society members of a certain age who had retired from the Corps. The Chair was both surprised and extremely heartened by the overwhelming response received. Following a filtering process two excellent candidates were interviewed by the Chair and he recommended to the October Council Meeting that Alan Taylor be elected as a sixth Council Member. Alan left the Corps about six years ago and qualified as a lawyer. Through his trusteeship of a small charity and his involvement in setting up charities and Community Interest Companies, he brings to the Council relevant governance and regularity experience.

The motion was proposed by Col (Retd) JF Crompton, seconded by Maj (Retd) JP Auld and carried unanimously.

Item 11: To re-appoint Hillier Hopkins LLP as Auditors.

Following the production and audit of the 2019 accounts earlier this calendar year it was decided that a fresh set of eyes were necessary to support the Society's recent transformation. To that end new Auditors, who also assist in the production of annual accounts for both the Annuity and Samaritan Funds were sought. A short list resulted in Hillier Hopkins LLP being appointed in February. Their participation in the May Council meeting confirmed that the switch was worthwhile both in terms of identifying some areas for monitoring and improvement and providing reassurance that, actually, both

the Society and the Samaritan Fund are being well run. So no complaints at all from a Council perspective and the Chair therefore commended Hillier Hopkins' reappointment to the AGM.

The motion was proposed by Brig (Retd) DR Innes, seconded by Brig JE Fossey and carried unanimously.

Item 12: Any other business

There being no other business from the virtual floor the Chair reiterated his thanks to Maj Ruth Breslin for her contribution as an *ex-officio* Council Member and wished her the best for the future.

In closing the meeting, the Chair reflected on his time as Chair acknowledging that issues uncovered at the start of his tenure had been addressed and along with improvements to its routine administration, the review of its governance and branding had placed the Society on a much stronger footing. This had taken significant effort from all Council Members and the Secretary. He wished John Clark the very best as he handed over the Chair.

Brig Clark responded in acknowledging the massive contribution made by Gen Richard and thanked him for his leadership. He highlighted the significance of raising benefit rates for the first time since 2008 and during a period of domestic and global turbulence. As a token of their thanks the Council had gifted Gen Richard a wooden bench made at the Brompton workshops, complete with Corps cypher.

The next AGM is likely to be held on or around Wednesday 16th November 2022.

Brig Clark closed the meeting at 1750 hours.