



Multiple Sclerosis Society

17 April 2009

MS Society Scotland - Questions and answers

What's the difference between the Board and the Scottish Council?

The MS Society's Board is an elected group of volunteers with ultimate legal responsibility for the affairs of the whole of the MS Society in all parts of the UK. They are the 'trustees' of the Society with legal obligations and responsibilities to the Charity Commission and the Office of the Scottish Charity Regulator. The Board is elected by all MS Society members, including those in Scotland.

The Scottish Council is a group of volunteers elected by members in Scotland. The Board has previously delegated some of its powers to the Scottish Council. The Council is responsible to the Board.

Why has the Board decided to withdraw the Council's powers?

Over the past 12 months or so, the Board has become increasingly concerned that the Scottish Council was failing to take action to deal properly with a number of staffing issues, operational management, and financial reporting at MS Society Scotland.

This came to a head last September when – despite repeated requests from the Board – the Council refused to address a number of staffing issues (including grievances against senior staff and volunteers in MS Society Scotland).

The Council had a duty to act to deal with these significant issues under the powers delegated by the Board, but refused to do so.

The Board asked to meet the Council to talk this through, but only one Council member agreed to speak to the Board. As a result, the Board suspended the powers of the Council in September 2008 and took on direct responsibility for running the Society in Scotland to make sure the Board's legal duties were being discharged.

This was in no way an attempt to permanently remove power from the Scottish Council. Within weeks of the suspension, work began to draft a mediation agreement to allow the Council to resume working with direct input from three members of the Board. The terms of this were agreed by the Scottish Council and ratified by the Board in December 2008. All Scottish

branches were notified of the terms of the mediation agreement by a letter from the Chief Executive.

There were some encouraging developments at first, but over time the mediated agreement began to falter. Many Council members worked actively with the Board and with staff in Scotland, but it became apparent that efforts were being undermined by some other Council members. These attempts to undermine the process were so damaging that the Board finally decided it had no choice but to withdraw the Council's powers.

Has the Board got the constitutional authority to withdraw delegated powers of the Scottish council?

The Society's UK and Scotland constitutions make it clear that the Council acts under the authority of the Board exercising powers delegated by the Board. The Board took expert legal advice on the implications of both English and Scottish law, and it is clear that the Board has the right to withdraw the powers previously delegated. The MS Society UK and Scotland constitution can be downloaded from the charity's website.

What happened to the trustee from MS Society Scotland?

Denise Fagg MBE was suspended as a trustee in September 2008 and resigned on 9 April 2009. She was permanently excluded as a trustee of the MS Society on 15 April 2009. Mrs Fagg remains a member of Council, although Council as a group has no authority to meet or act.

So what happens next?

Many of the current Council members have agreed to be involved in several projects to develop the work of the Society in Scotland and across the UK as we move towards resolution of the current situation. At least one Council member will also be involved in the recruitment of a new Director in Scotland. Interviews will take place in early May, and we have already had more than 55 applications.

In terms of the bigger picture for governance, the MS Society across the UK is currently undergoing a governance review. All members are invited to have their say on how we are run and how we should be run. This review is being carried out at the moment and the first recommendations will be made for members to vote on at the UK AGM in September. As a member-led democracy, run by elected volunteers, all decisions on how the MS Society (and MS Society Scotland) is governed are in the hands of our members.

Was the patron JK Rowling kept informed throughout?

The Board has sent regular updates to JK Rowling since these problems first arose last year. Sadly, she has been unable to meet any Trustees in person since the suspension of the Council last September, other than at the joint mediation in November. Since her resignation we have again asked her if we

can meet her so she can hear at first hand the MS Society's account of what has been going on in Scotland.

Was it taken into consideration that following these decisions JK Rowling may resign from her role as patron?

The Board were acutely aware of the role JK Rowling played as patron of the MS Society Scotland and were keen to work positively with her to get the Society back on a firm footing. Ultimately the Board, not any individual, is responsible for running the MS Society.

In September 2008, when the Council was suspended, the Board assured JK Rowling of their intention to keep working with the Scottish Council and she initially worked to help set up a mediation session. She generously funded much of the cost of the mediation and attended part of it.

The Board has sought to keep JK Rowling informed of progress since the mediation but she has been unable to meet with them. The Board is extremely sorry she has stepped down. We thank her for her good work and for her continued support for the MS research centre in Edinburgh.

If the Council was so bad, why are you working with individuals who were on Council?

It is true that in recent months Council were becoming aware of the problems but only after considerable prompting by the Board and staff. In Scotland the MS Society employs over 100 people (including at Leuchie) – staff need clarity and direction. And the problems of managing a £3.5 million annual budget were pressing. But the Board's view was that the Council were focussing unduly on history and not on what people living with MS in Scotland had said they expected from their Society. In short, too little, too late.

As a Council, some individuals tended to dominate and other members of Council did not take appropriate action to deal with this. But most members of Council have indicated that they want to remain engaged and involved with specific areas of the Society's work. We welcome this commitment by individuals. But the Board did not see any reasonable prospect of Council working effectively as a group, despite extensive support since December - hence the decision to withdraw powers.

Is this about money? Is it true that the MS Society will be taking finances and fundraising away from Scotland?

There are no plans to take money that is raised in Scotland for MS outside of Scotland. Over recent years, every single pound raised in Scotland by the MS Society is spent in Scotland.

The MS Society as a whole spends considerably more on its work in Scotland than is raised in Scotland. As an example, MS Society Scotland had not planned to fund any new research and only set aside 10% of the money

needed to meet its existing commitments. In fact, most research projects in Scotland, information for people living with MS in Scotland, and other activities such as our advertising are funded at a UK level. This year alone, the MS Society will put cash and services to the value of £800,000 into our work in Scotland over and above the money raised in Scotland.

We believe there is significant scope to improve on the £2.6 million raised in Scotland to fully fund the MS Society's work. Any suggestion that MS Society Scotland will lose a single pound of money raised in Scotland is false.

What about the 'cash pooling' scheme?

Every Scottish branch, and the other 300 branches elsewhere in the UK, has control over their funds and will retain this control within the Society's rules. There are no plans at all to take any money away from the MS Society Scotland to spend elsewhere in the UK. Our new 'cash pooling' arrangement will give branches more interest on their money, but the day to day way they access their own funds – through a bank account specific to their own branch – will not change. The cash pooling scheme is administered by Barclays but the Society's cash is invested in a number of institutions to ensure that we get the best interest rates. Each branch still has its own bank account and full access to its own funds. And the Society as a whole benefits from more effective use of our cash.

The whole Board, including then the trustee appointed by MS Society Scotland, voted for the introduction of mandatory cash pooling throughout the UK and this action was subsequently approved by the Society's AGM in 2008.

Is it true that this is a 'London versus Scotland' issue?

'Management' or staff in London or anywhere else has no authority at all over the Scottish Council. Only the Board can take action in regard to the Council, and the Board are volunteers elected by all the members of the MS Society from across the UK. 'London versus Scotland' in some of the press coverage is just not accurate.

Should the MS Society in Scotland be independent?

Independence for the MS Society in Scotland is one option we know some members want to explore, and the Board has made it clear on many occasions that if the majority of Scottish members want independence, the Board will work to make sure that this happens smoothly and in a way that best supports people living with MS in Scotland.

But at the same time, this debate needs to happen in an open and transparent environment, with the true benefits of being a UK-wide organisation made clear. It appears that the arguments for independence of the MS Society Scotland have only emerged when the performance of MS Society Scotland has come under scrutiny – but the decision will be one for members in Scotland. And we should be aware that MS Society Scotland

and people living with MS in Scotland receive significant benefits from being part of a bigger organisation.

MS does not respect national boundaries and we believe that in funding research, fighting to raise awareness and more, we should do what we do together as one MS community across the UK. If we are to move in a different direction, this decision by members needs to be taken in possession of the full facts rather than in pursuit of a few individual's interests.

Is it true that a number of staff have resigned?

As you know, former Director Mark Hazelwood resigned at the end of last year – we thank him for his contribution. Out of a staff team of more than 30 at Ratho and working locally, three members of staff have left since last September. This is a relatively low level of turnover.

What improvements are needed in MS Society Scotland?

Scotland has a very high incidence of MS, yet pro rata has the lowest membership figures in the entire UK. We want to raise membership from about 3,500 to 5,000 to match the figures across the rest of the UK. Despite the high incidence of MS in Scotland, a survey of 2,000 adults in February 2009 showed that awareness of the MS Society was lower in Scotland than in either Wales or England.

In summary, membership and awareness of the MS Society in Scotland are lower than elsewhere in the UK, despite Scotland having the highest incidence of MS in the world.

There is also more that can be done to make full use of MS Society money in Scotland to match the hopes and aspirations of people with MS. For example, Scottish research spending is falling behind the rest of the UK. Scotland has excellent research facilities and researchers, yet MS Society Scotland planned to spend only £45,000 this year on existing research against commitments of more than £300,000. There was no credible plan for MS Society Scotland to invest in any new research this year and in the short-term. The MS Society at UK level will continue to invest additional money to plug the research gap and to encourage new research in Scotland.

Where can I get further information?

The Society's Chief Executive (Simon Gillespie) is very happy to speak to provide further information and hear your views. Please arrange a time by calling Magdoline Tadros on 020 8438 0738.

There will be a meeting of members in Kilmarnock on 9 May, and other meetings can be arranged. Please look at the Society's website or contact MS Society Scotland on 0131 335 4050.

How can I help?

Please work constructively and continue to work to provide support for people living with MS in Scotland, make your views known by participating in the Governance Review, and look to the future by presenting the positive work of the MS Society in MS Week.