

Minutes of the 406 Meeting of Trustee Board

Thursday 6 March 2025 10:00-4:30pm GMT

Venue: In person at 14-16 Meredith St, London, EC1R 0AB

Chair: Professor Gordon Dougan, President

Present:

John Sinclair (Treasurer)

Lorena Fernández-Martinez (Elected Member)

Karen Robinson (General Secretary)

Allison Lang (Co-opted Trustee)

Jack Ferguson (Elected Member)

Alan McNally (Elected Member)

In attendance:

Peter Cotgreave (Chief Executive)

Jo Manning (Chief Operations Officer)

Sarah Buckman (Chief Programmes and Partnerships Officer)

Charlotte Mitchell (Chief Communications Officer)

Rosie Waterton (Executive Governance Manager)

For item 5 only

Vicky McCulloch (Head of Marketing and Development)

Charlotte Holtum (Head of Engagement and Storytelling)

Andrea Monica (Head of Scientific Programmes)

Pippa Evans (Projects Delivery Lead)

1. Apologies for absence

The President welcomed everyone to the 406 meeting of the Trustee Board, noting that it was the first meeting in the new format following the changes to the Articles of Association passed at the 2024 AGM.

Everyone was present and no apologies for absence had been received.

2. Formal Business of Council

2.1 Conflicts of Interest

The President noted that the register of interests had been completed by all trustees at the start of the year. No new interests had been declared.

2.2 Minutes of the 405 meeting of Council

The minutes of the 405 meeting of Council were accepted as a full and accurate record.

2.3 Matters arising and action points

The Chief Executive reported that all of the action points had either been completed or were in train.

2.4 Becoming a member of the Microbiology Society

The Chief Executive reported that under the previous Articles of Association the governing body had been required to formally approve each individual application to become a member of the Society. Articles 24.2 and 24.3 of the revised Articles, approved at the 2024 AGM, allowed for a less bureaucratic alternative in which the Trustees “may admit members, or establish a procedure for their admission” and that new members’ applications did not have to be individually approved by the Board if the Trustees had “established a procedure by which the application is approved”.

The Board approved the process that a list of new members be uploaded to the governance hub before each meeting of the Trustee Board in the papers for information and that the Chief Executive would bring it to the attention of the Trustees if any application was likely to be in any way controversial.

The President noted that it was important the trustees continued to have oversight of who was admitted, and it was agreed that the list of new members should continue to be provided at each meeting.

Action 02: The Chief Programmes and Partnerships Officer to implement the agreed membership approval process.

3. Finance Committee

3.1 187 Meeting of the Finance Committee

The Treasurer reported key outcomes of the 187 meeting of the Finance Committee that had been held earlier on the same day, noting that this was unusual and that a report of the Finance Committee meeting would normally be circulated a few days in advance of the trustees meeting.

FC187-04 - Investment Report

The Treasurer informed the Board that the Finance Committee had received presentations from Asset Risk Consultants and the Society’s investment managers Evelyn Partners. He reported that the Society’s portfolio had returned 12.4% up to January 2025 with a value of £9.9m vs £9.5m at 31 January 2024 despite £700K of withdrawals over the last 12 months.

ARC had noted that recent performance had been very positive in line with the benchmark and outperforming the peer group which was largely due to the recent broadening of the markets meaning less concentrated returns from the “magnificent 7” technology stocks which had previously dominated the market and had led to the underperformance of 2024. Consequently, the ARC diamond rating was 3 out of 5 which was in line with reasonable performance and ARC anecdotally reported it to be close to 4. The Treasurer informed Trustees that Evelyn Partners was making one change to the portfolio and exiting their position with Smithson Investment Trust in April and had identified a new fund to purchase. He summarised that overall the portfolio continued to perform well with returns of 55.9% since inception.

FC187-05 - Management accounts

The Treasurer presented that the management accounts for the period January - December 2024 demonstrated a deficit of just over £1M in comparison with the £1.5M of 2023. This included a variance from the reforecast of £249K, largely due to expenditure in three areas being over the forecast amount; Council and Committee expenses, conferences and events and legal and professional. These had been reported in November and subsequent actions taken to reduce expenditure in these areas. He noted however that overall expenditure (including the investment in the future budget line) was £456k lower in 2024 than in 2023. He also highlighted that the investment portfolio was worth £9.35m at the 31 December 2024 vs £9.48m at the end of 2023, a difference of £130k. This was despite £1m in drawdowns from the portfolio during 2024.

FC187-06 – Recommendation annual pay award for staff

On the recommendation of the Finance Committee, which had considered a number of internal and external factors, the trustees agreed that all staff in post as at 6 March 2025 would receive a cost-of-living increase on their basic salary of 3.5 per cent from 1 April 2025. They noted that this was higher than the current rate of inflation and that it was intended to acknowledge the value that the trustees placed on the staff.

However, the trustees noted that the financial circumstances of the Society were in serious structural deficit and that similar increases would not be affordable in future without hard focus on returning the Society to a balanced budget.

Given that it was well known among staff that the March meeting every year agreed any cost of living award, the trustees authorised the Chief Executive to inform staff of the pay award the same day.

FC187-07 Cost of Committees and Divisions Day

As part of cost saving measure reviews, the Finance Committee had received analysis and proposals to lower the costs of the two annual events which cost around £80K combined, Committees Day and Divisions Day. Proposals had included lower cost venues, moving Committees Day to be a one day event instead of two and to decrease delegate numbers by not inviting incoming members resulting in a £20K (~40%) reduction to costs.

However, the Finance Committee had noted the importance of the events as community-building occasions and was keen to ensure that adequate onboarding measures remained in place for incoming members and suggested inviting incoming members as online observers only and/or to set up a replacement induction meeting for them with co-Chairs or other relevant stakeholders. The Treasurer also noted discussions around the need for better enforcement of the expenses policy and clear communication to members, at the point of meeting invitation, to include the Society's financial deficit information and cost implications of last minute travel bookings.

At the President's suggestion, it was agreed to investigate the possibility of holding one or both events at the Society's offices, which would have the dual benefit of saving more money and reinforcing the Society's sense of identity among members.

FC187-08 - Journal pricing recommendation 2026

The Finance Committee had received a presentation from Alex Chan Journal Sales and Opportunities Lead. He had reported that by mid-February the Society had processed £1.8M of journal income which was over 72% of the expected annual income but noted that the Society continued to face a significant challenge in that library budgets were experiencing minimal growth, particularly with renewals from European countries that had not yet transitioned to Publish and Read (PAR) agreements. With five out of six journals in the Society's portfolio now Open Access, the value of the "Read" component was diminishing, as content was freely available and the most valuable aspect of journal subscriptions was access to the latest research. He emphasised that to increase overall income the Society must expand its APC business through a strong presence in the Asian market.

- Finance Committee recommended that 2026 P&R pricing be increased by 4.9%, close to UK inflation rate.
- Finance Committee recommended for the two S2O titles JGV and JMM (and for IJSEM) that prices are increased across all titles by 4.9%
- Finance Committee recommended APC charges to have 4.9% price rise which remained behind close peers' APC rates and thus still competitive.

The Board approved the increases for 2026.

For future year's recommendations, it requested additional evidence of market intelligence data including a competitor analysis piece (for example) and landscape context to be presented alongside the figures. It was also noted that it was uncommon for a sales team to effectively set their own targets and in future the challenge and position of the Society should be set by the Board and Senior Leadership following analyses of the data.

The Board noted the strength in having external expertise present and recognised the capacity for two further co-opted trustees. Recruitment was in train for a philanthropic trustee and consideration was given to seeking a third with strong industry links.

FC 187 – 09 - Annual review of Trustee expenses

This was noted.

FC187-10 Funding from other sources

The Treasurer reported that the Society's £80 for 80 years campaign now had secured roughly £10k of funding. He also noted progress regarding philanthropic giving following the President's dinner in 2023 and supplied the Board with an update on the ExhibitionPlus and corporate partnerships which was at 29 (out of a possible 35) exhibition spaces sold for AC25 totalling £163K and 50% more than 2024.

3.2 Collated finance papers

The President drew attention to the fact that the full Finance Committee papers were available on the Council hub for information.

Action 03: The Chief Executive to notify staff of the annual pay award for staff.

Action 04: The Chief Operations Officer to implement changes to Committees Day and Divisions Day and investigate the use of the Society's offices for one or both.

Action 05: The Head of Scientific Programmes to ensure additional market intelligence data including a competitor analysis piece be undertaken for future journal pricing recommendations.

3.3 Critical risk register

The Chief Operations Officer reminded the Board that trustees reviewed the Critical Risk Register twice a year, and that the Audit, Risk and Evaluation Committee continued to look at risk in detail at its meetings throughout the year; she further observed that its chair reported annually to the trustees. Trustees had approved the current version of the register at the 405 meeting in December 2024 with the exception of minor changes in wording that had been made to bring it in line with the updated Articles of Association.

She reminded trustees that 2024 had introduced a new way of examining risk and discussing mitigation practices with key staff and that the Chief Executive had reported on progress made over 2024 to mitigate the Society's two biggest risks: 'overreliance on journal income generally or journal income from established markets or certain customers' and the risk of a 'reduced quantity or quality of submissions to journals'. The committee had concluded that these risks were crystallising but that adequate progress was being made across all the mitigations detailed.

Trustees also raised the amber categorised risk for loss of income for events and discussed the community's reaction to the increase of delegate fees for Annual Conference, querying if it had impacted the 2025 income forecasts. The Chief Programmes and Partnership Officer confirmed that whilst it was hard to know for sure at this stage, delegate numbers were on track and it looked viable that the event would be near to breaking even on direct costs. The Chief Executive noted the validity of some of the feedback and that consideration would be given as to how best to serve the communities of microbiology who were particularly impacted by the changes.

The Trustee Board approved the changes to the Critical Risk Register and no additional risks or suggestions for mitigation for inclusion beyond those reflected on the register were identified.

4. President/Chief Executive business

As his first meeting in the Chair, the President outlined his manifesto for his term of office with focus on reducing the deficit budget, building the publishing business model including through increasing markets in Asia where he had strong links, and forming further partnerships with industry. He noted the strong resources of the Society; the more agile Trustee Board and governance structure, the high quality staff and the building and noted his intentions that these core infrastructure elements worked together to realise the Society's aims.

4.1 General business

4.1.1 Appointment and election timetable

The Chief Executive reminded trustees that every year the Society ran elections and appointments to recruit new members across the governance structure and that there were 42 vacancies from January 2026, which would be sought this year. This included a trustee position on the Board which

would be elected by the Advisory Council. Trustees discussed the high number of positions sought through open call to the membership and agreed consideration to streamline this would be given but that any decisions to limit this must ensure balance between allowing the board appropriate oversight of areas of key activity, and continuing the connection with the community that opportunities to serve across the governance structure provided. It was also noted that open opportunities for participation was an essential part of the Society's commitment to EDI.

Trustees undertook to encourage suitable candidates to apply for key roles on the governance structure.

4.1.2 Renaming of committees

Renaming of the Committees

The Chief Executive reported that two committees – Sustainability Committee and the Members Panel – had expressed an interest in changing their names. Given that this would involve changing the recently-adopted Byelaws, the trustees were not minded to agree at this stage.

4.1.3 Covid-19 inquiry

The Chief Executive reported that the legal adviser who was handling the Society's involvement in the UK Covid-19 Public Inquiry had informed him that recent progress on Module 7 was reaching the point of deciding who would be called to give oral evidence and that it looked unlikely the Society would be included.

Alan McNally reported that he had also been served with a Rule 9 Request as an individual and that the Inquiry had indicated that it was likely to call him as an oral witness.

4.1.4 Covid-19 policy

The Chief Executive reminded the Board that when events had recommenced after lockdown, the Society had adopted various precautions and procedures that delegates had been required to sign up to in order to attend. As circumstances had changed, these precautions were largely obsolete but the Society events registration process still required delegates to agree to them. Trustees approved that the policy was now defunct and could be removed.

Action 06: The Chief Programmes and Partnerships Officer to ensure the Covid-19 protocols policy be removed from the events registrations process.

4.1.5 VAT audit (8 May 2025)

The Chief Executive reminded the Board that as a registered charity, the Society was able to claim back a proportion of the VAT it paid and that the way the system worked was that each charity calculated its own proportion (known as a "standard model") and that this was occasionally checked by HMRC. It currently amounted to a saving of at least 100K per year for the Society. As part of a standard process, HMRC had indicated that it would attend the Society's offices on 8 May to check the Society's model.

Possible outcomes included no change, a tightening of the model so that in future the Society could claim back a smaller proportion, or (extremely unlikely) retrospective penalties for having claimed too much in the past. It was unheard of for HMRC to suggest loosening the model to allow a charity to claim back a higher percentage than it had previously recovered.

5. Publishing Business

The Chief Executive summarised the background that the Society's principal source of funds was its publishing business, which accounted for 77% of all income in the most recent Annual Report, but that recent and ongoing changes in the global business model of scientific publishing made it increasingly difficult to sustain. At its induction meeting in January 2025, the Trustee Board agreed that the single most important factor in achieving the Society's sustainability would be growth in the market, portfolio and content of its publishing business.

The Head of Scientific Programmes presented the paper detailing the latest data for publishing performance over 2024, progress with immediate activities and expectations for 2025 and a longer-term roadmap covering 2025-2027 for approval. Allison Lang, Co-opted Trustee with experience in publishing, had participated in a workshop with Society staff prior to the Trustee Board meeting to help finalise the roadmap, which set out a high level, clear intention for the growth, development and sustainability of Society publishing. The roadmap had four pillars, each with several commitments, that would enable the Society to generate the necessary revenue from publishing to support its activities for the community. These pillars were:

1. Expanding the Society's publishing portfolio
2. Building a competitive commercial offer to retain and increase sales and revenues streams
3. Securing ambitious but realistic content acquisitions pipelines across Society publications
4. Ensuring appropriate workflows, processes, platforms and technologies

Allison Lang commended the Society for its bold decisions through the recent shift in publishing landscape and encouraged that it continued in this approach and to be aggressive in target setting for volume as well as quality content acquisition to move from a subscription based market to a target driven business. To do this in an informed way and enable data driven decisions on the compound annual growth rates across the areas covered in the journals, the Society needed to utilise much more benchmarking and market data including funding trends and research grant tracking. Commenting on the data supplied in the paper she also recommended the Society use more discrete break downs for each product rather than just the aggregate portfolio in order to better analyse financial milestones and to adopt specific growth targets for each. She went on to note the commitment and skill of staff she had interacted with and encouraged the support and empowerment of staff to make key business decisions, emphasising the circumscribed role of the Editors-in -Chief, which should be focused on editorial decisions only.

The Board agreed that relationship building between the editorial boards and the Trustee Board to align the Editors-in -Chief with the publishing strategy and financial position of the Society was essential and would also encourage brand loyalty and encourage more to lead from the front in terms of publishing in the Society journals and encouraging their networks to. This was also true across the governance structure and the President noted his upcoming meeting with co-Chairs of all committees at which he intended to emphasise this point. The Board also acknowledged regular communications from the Chief Executive and Chief Programmes and Partnership Officer to members of the Society governance with key strategic messages. The Head of Scientific Programmes confirmed that the Society USP of publishing for the community messaging had also been cited as

having impact on sales figures through the librarian survey. Further to this, Trustees considered ways to attract content from members of other microbiological societies who did not publish their own journals but who would be enticed by the publishing for the community stance. Both the Canadian Society of Microbiology and the German Society for Virology (as indicated in the paper) and the Australian Microbiology Society were raised as organisations that could be engaged with through connections that existed in the Society membership or editorial boards to act as overseas ambassadors.

In terms of expanding the portfolio, the Board was made aware of the new title, *Microbiology Outlooks* soft launch at Annual Conference and requested further update on the acquisition process of an Editor-in-Chief and editorial board for the title. The Head of Scientific Programmes also reported on discussions regarding the future of *Microbiology* and the possibility of dividing the publication content to create more opportunities in two different titles noting that scoping was still in early stages with the Editorial Board. The Board noted current expansion plans resulting in a total of nine titles in the Society portfolio and acknowledged the three year timeline which was realistic given resource limitations.

The Board approved the direction of travel for the publishing business and implementation of the Publishing Executive Steering Group to undertake next steps. It approved the recommendation to cease the preprint workflow on *Access Microbiology* transitioning the open research platform to an Open Access journal in principle subject to the details being worked out by the Publishing Executive Steering Group following sufficient data to support the decision.

Action 07: The Chief Executive to consider a suitable mechanism to engage the EICs with the Board.

Action 08: The Head of Scientific Programmes to update Trustees on recruitment of the editorial board, including the EIC for *Microbiology Outlooks* and to send Allison Lang the original paper.

Action 09: The Chief Programmes and Partnerships Officer and Head of Scientific Programmes to work with Allison Lang to determine the suite of data to provide.

6. Any Other Business

The Board acknowledged the improvement in efficiencies with a more streamlined and focused remit and reflected on how this culture could filter down throughout the governance structure.

7. Below the line

All papers were taken as read.

There being no further business, the meeting closed at 4.15pm.