

TRANSPORT BENEVOLENT FUND

DEVELOPMENT PLAN – 2009/10

1. BACKGROUND

Our first plan was in 1997, just a few months after the Charity Commissioners approved the merger of the former charities into this one. The merger ended several years of uncertainty regarding the legal position and it enabled the 'new' TBF to start to address other issues, of which the most important were stabilizing the finances and laying the foundations for the charity to become a national organization. Stability having been achieved, the charity started to address its future direction in a more meaningful way in the second plan, drawn up two years later. We have built on these foundations over the past ten years, and we are now very close to achieving our aim of becoming a national charity.

2. OVER THE PAST YEAR

Excellent progress was made extending membership into new undertakings, especially in the bus industry, with particular emphasis on First Group. However, we still encounter difficulties in some other companies and progress remains slower than we believe it should be. Some companies confuse our charitable help with the cash benefits offered by other bodies which have no loyalty to the industry. Many do not answer letters and a few display outright hostility. We have, however, been able to extend payroll deduction facilities to many additional companies, though with around one member in sixty contributing by means of standing order.

We appointed a further two paid organizers to provide additional resources to recruit members in the rail industry, bringing the total to nine. After allowing for wastage, membership increased by nearly a quarter, the result of a major recruitment drive which brought in around 8,000 new members. We have also continued to diversify membership; only around one fifth of members now work for Transport for London – once our only source of membership. We monitor membership carefully, to ensure that we are reaching into new companies and not becoming too reliant on any one employer or group. We have now secured registration in Scotland and will be starting serious work in that nation shortly.

It was the second full year in which we managed the Transport for London Staff Welfare Fund (SWF), which enabled us to help non-members who are (or were) associated with TfL. We shall always remain a membership charity, but it is good to have been able to extend our work by use of this new money.

We increased the office staff, so as to maintain and improve the service to beneficiaries, which is now in line with the very highest standards, and with an unprecedented speed of turnaround.

We now have a permanent Risk Group, which considers business risks and a range of other strategic issues affecting the charity.

Unfortunately, the very last London Transport War Widow passed away during the year.

This would be a very complacent review if it did not address the issues which have occurred as the result of the world economic crisis. So far, the effect on TBF has been solely in terms of our reserves, the value of which has declined as world investment markets have fallen. This is not an immediate issue for us, because we would not be spending the reserves, but it does tend to undermine the security we feel as we go about developing the charity. There has also been a minimal effect on income (especially for the Staff Welfare Fund), but, again, the impact has been slight. As we enter the new financial year, the world's problems seem to be getting worse and the effect on our industry and its staff cannot be predicted any more than any other industry can know



what the future holds. The purpose of this Plan is not just to seek to protect the existing TBF, but to go on developing it and to use every opportunity there is to do that. As a senior US spokesperson said recently, one should never let a crisis go to waste.

3. OUR MISSION

Our main purpose is to relieve need, hardship and distress among our beneficiaries and their dependants. We do this by offering a wide range of benefits and by continuing to develop new ways of helping people. We recognize that for some types of help (e.g., cash grants) a form of means testing is inevitable, but we will continue to use this as little as possible.

All those working in the public transport industry are potentially our beneficiaries and the second part of our mission is to bring the benefits of membership to more of them. In addition, by continuing to broaden our membership base, we are increasing our chances of being able to fulfill our mission by being less reliant on developments in a small number of companies.

In summary, we aim to help public transport workers and their dependants throughout Great Britain when they need it. The help we are able to provide can often make the difference between the member retaining their job (and thus continuing to be part of the industry) or being left with no alternative but to leave the industry – often for poorer conditions. This does not mean that we expect to extend the help offered to those who are not members, unless employers provide the funds (as in the case of the SWF) or in very limited circumstances where non-members are involved in dealing with fatalities at work.

4. THE FUTURE

4.1 Relevance of TBF

Some may once have said that there would be no need for a charity like TBF in the 21st century. We may wish that society's response to the needs of individuals was different and that the necessary help was dispensed by the State rather than by charities. Sadly this is not how society has developed and it is clear the State's role in the provision of services and benefits will not increase. As the crisis worsens, this position can hardly be expected to improve.

It is only when misfortune befalls a beneficiary or dependant that they realize how little support is available. That is when we need to be able to help – either by direct assistance or by pointing to another source of help (and perhaps helping them obtain what they need from that source). We have developed our benefits so they meet present-day needs and aspirations as far as possible within the money available and in line with our mission and we will continue to do so. If we are not relevant to the needs of our beneficiaries then we do not deserve to survive and we shall ensure by listening to our members that we do remain relevant to their needs. The fact that all our trustees must work in the industry greatly helps this process.

TBF offers a unique range of benefits and we must increasingly make this known.

4.2 Range of benefits

We shall continue to regularly review our range of benefits together with their take-up, cost-effectiveness and attractiveness to members. We cannot operate as a private company or friendly society would, because we are neither. We cannot replace what the State should provide, because we could not afford to do so and it would be against the principles of charitable help. We are not here to subsidize the State, poor wages or pensions. Nor can we sit back and assume everything we do is exactly what is needed.

We have made a lot of progress in making complementary treatments available to beneficiaries. Our work has been described by professionals working in the complementary health field as



'groundbreaking', because we are enabling ordinary working people to obtain treatments which would otherwise be beyond their means. We are also finding other ways to help working beneficiaries retain their jobs when illness or injury strikes; these include a wide range of tests and scans. We shall continue to develop benefits and thus help both the beneficiary and their family and the industry.

We have taken steps to make convalescence and recuperation more accessible, particularly for working members, and will continue to do all we can to ensure that beneficiaries can get the help they need quickly and with a minimum of formality.

4.3 Our constituency

We have made much progress in expanding the geographical boundaries of the TBF, to the extent that we now have members in all Train Operating Companies, Network Rail, almost all significant bus companies in England & Wales and in railway engineering and ancillary services. We now have members (though sometimes single figures) in about 300 companies. However, much more needs to be done and this will remain the priority not just for the coming period but for the foreseeable future. Our work in Scotland will be to the fore, as there is much we must do in that country.

We shall continue to promote TBF through our organizers, representatives, our website, advertising and distribution of promotional items, and we shall ensure these remain cost-effective. We shall appoint an Organizer to develop our work in Scotland. Any such appointment carries an inherent risk of failure, but our strategy has been successful so far and we shall not be afraid to face up to the issues which arise.

Employers are bombarded with organizations seeking access to their staff and to paybill deductions and it is sometimes difficult to impress on them the relevance and generosity of TBF as against the claims made by other bodies in support of their services. We have had much success working through trades unions and will continue to solicit their help as well as contacting employers directly and seeking access.

Only one employer now charges for collecting our contributions and the sum involved is low. At the right time, we shall seek that this practice is ended, but will not jeopardize the paybill deduction facility.

We shall continue to make it possible for members leaving the industry to remain in membership, but do not see this as a priority.

4.4 Membership target

We expect active membership at the end of the 2008/9 financial year to be about 26,000, but this is difficult to predict with accuracy given the reductions in employment which are taking place in a number of companies (especially in the rail industry).

We must continue to grow as, without this, we shall not be achieving our mission. There is almost endless scope for growth, and the budget for the coming year assumes an average contributing membership of 28,000 with year-end membership of 30,000. This will represent a further significant increase and, if achieved, will mean that membership will have almost quadrupled over ten years.

Echoing remarks elsewhere in this Plan, however, we must sound a word of caution, in that no-one knows what the future holds for the economy and for British (or any other) industry. We will do all we can to achieve our targets and will not fail through our own efforts.

4.5 Tax recovery

We are looking to recover £338,000 in respect of 2009/10 contributions, which will represent around 23% of contribution income. Given that most of our members are taxpayers and that most new recruits agree to our recovering tax on their contributions, this is a vital source of income. It enables us to maintain and improve benefits and avoids the need to increase contributions.

The recent reduction in the basic rate of tax was bad news for charities, because of the reduction in the amount of Gift Aid that may be recovered. However, the government is topping-up payments for another two years, after which the value of Gift Aid recovered will fall by some 10%. We are hoping not to need to spend the top-up so that we shall not have to cut back when the rate finally falls.

4.6 Campaigning

We are not a campaigning or lobbying organization, but we will continue to work with others to achieve changes which help TBF fulfill its mission and which are to the benefit of our beneficiaries. We shall maintain our membership of bodies such as the Association of Charity Officers. A particular area of concern is the charges imposed by many general practitioners for completing our forms. These charges often bear no relation to the ability of the beneficiary to pay and we shall be seeking some easement if at all possible.

4.7 Financial strategy

4.7.1 Reserves

Our unrestricted reserves exceeded £2 million for the first time at the end of the 2006/7 financial year, representing around two years' cover. At the same time, the restricted Transport for London Staff Welfare Fund had assets of almost £850,000 but this money is ring-fenced for use only for certain classes of beneficiary.

Our reserves are much healthier than a few years ago but, because of market conditions, they are now worth somewhat less than two years ago (around £1.5 million for the unrestricted fund at the date of preparation of this Plan). Allowing for increased expenditure as the charity has grown, the sum in the unrestricted fund now represents just one year's expenditure - much less than the desired three years' cover. We are happy to operate with reserves at this level, but would dearly like to increase reserves gradually to three years' cover.

We cannot predict the net effect on costs of recruiting members in new companies where sick pay and other conditions may be significantly worse than in our traditional areas and must have adequate reserves to ensure our work can continue unhindered. We aim to break-even financially each year, but will accept a short-term loss if it helps to extend TBF's work to new areas and strengthens the organization. It would be better, however, to create modest surpluses which allow our reserves to slowly accumulate, though the provision of the necessary benefits and member service is more important.

Our aim in respect of the SWF is to maintain its value in constant terms. We shall aim to disburse most of the income, but try to retain some so that we can slowly start to re-build the value of the SWF once the slide in the markets has finally ended.

4.7.2 Contribution rate

This was last increased in January 1994 (from 80p per week to £1). While we will keep the rate under consideration from time to time, we do not expect to need to increase it in the short-term and will only do so if this is essential to the financial security of the charity.

4.7.3 Fixed costs

We will avoid significant further fixed costs in the way of leases, etc. The only lease of any consequence is that in respect of our office accommodation and we shall need either to renew that or to find new accommodation by the end of the 2009/10 financial year. In addition, if TBF is to continue to grow, there is no alternative but to review staffing regularly and increase it.

4.7.4 Office accommodation

We have a lease until March 2010, and are considering our options in the light of the factors described in the preceding paragraph.

4.7.5 Investments

We have two investment managers – one for the unrestricted fund, the other for the TfL Staff Welfare Fund. We shall keep their performance under close review and introduce new methods of benchmarking.

4.7.6 Cashflow

We have established two reserve bank accounts, which enable us to spread the cash between different banks and thus reduce the risk to the charity. With interest rates at historic lows, interest on the money in these accounts is of secondary importance. In principle we place the money recovered through Gift Aid in these accounts and draw on them to provide the necessary cash for our day-to-day operations, as our total budget is broadly balanced.

Most employers pay over contributions deducted from wages regularly and this helps financial planning greatly, but there are uncertainties and we shall not allow cashflow problems to affect our work. For the present, we aim to retain total cash reserves (not forming part of the investment pool) of around £300k, including cash in the current account. This represents 15% to 20% of annual expenditure and is a large sum, some of which should properly be invested, but we cannot afford the risk of cash shortages in the present climate.

4.7.7 Staffing

Office staffing is likely to increase by at least one further post by the end of 2009/10, plus a further organizer post for Scotland.

4.7.8 Cost of benefits

We shall continue to closely monitor expenditure in all categories, but will not reduce this in respect of any one benefit simply because it is above expectations, unless overall expenditure is significantly out of line.

4.8 Patrons

We shall continue to issue invitations to senior figures in the public transport industry and the transport trades unions to become Patrons as positions become available, because the help afforded by their visible support is valuable to the charity.

4.9 Service partners and co-operation with other organizations

We shall continue our strategy of either re-imbursing beneficiaries for expenditure incurred on authorized benefits or by buying high quality services for them. Except for welfare advice, we shall not provide any benefits in-house.



Cost is important in buying services, but not necessarily more important than consistency of service and the formation of long-term relationships. We enjoy good relations with organizations such as the Railway Convalescent Homes, the Unite Centre, our solicitors, mobility equipment service partner and two osteopathic clinics and shall seek to develop further our relationships with them. We do not expect to seek additional arrangements, because they can tend to reduce flexibility which members value.

We are working well with the trustees of the LT (Railways) Friendly Society Trust as well as with London's Transport Choir and the Friends of Kenbrook.

We shall look for other opportunities to extend our work to help active and retired public transport workers and their partners. These opportunities may include consideration of potential mergers with other organizations if these can help to increase the range of benefits available to beneficiaries.

4.10 Loans to beneficiaries

We shall continue the practice of making loans to beneficiaries of the TfL Staff welfare Fund, but we do not intend to make available any other loans.

4.11 Information Technology and Business Continuity

We ensure that all our procedures comply fully with the provisions of the Data Protection Act 1998, including gathering and secure storage of information and ensuring there is no unauthorized disclosure of data (especially sensitive data). We do not envisage the need to take any further action in these respects.

We shall improve the arrangements for ensuring business continuity in the event of a range of events occurring, because we recognize that disaster recovery alone is not sufficient: we need to be able to maintain a full service to members with only minimal interruption in the event of a disaster occurring. We shall also ensure that all our IT equipment and back-up procedures are robust.

4.12 Democracy

TBF is established in such a way as to ensure that contributing members democratically control it. Local committees are the backbone of that democracy. We have devoted a lot of attention to increasing the number of these committees and will continue to do all we can to increase member involvement. We hope to increase the present number of Local Committees (around 75 – a third of them formed in the past year) still further.

There are presently 16 trustees. We do not operate any form of 'quota', but it is worth noting that there are now three women, another trustee is from an ethnic minority, one a secular member of another minority, two from the north of England and another three from areas remote from London. In time, we should like to reduce the number of trustees by natural wastage to around ten, because we believe that would be sufficient to control the charity effectively. In the shorter term we need a higher number, to enable us to work towards correcting imbalances, increasing the breadth of experience and ensuring that the Board is representative of the many minorities which make up the workforce in our industry. To this end, we shall consider the co-option of additional trustees who are able to add to the diversity of the board.

We shall continue to seek to involve former activists in the Retired Activists' Forum.

4.13 A membership charity

TBF, like its predecessors, is a membership charity and this must remain the focus of its future work in the absence of any significant funding from within the industry. The Deed does, however, allow us to help anyone engaged in the industry. We have already extended limited help to non-members involved in work-related fatalities and in principle we are prepared to expand our work with non-members if suitable sources of income could be generated. Realistically this would mean contributions from employers, but experience to date is that significant financial help from employers is unlikely. Some of those helped through the Transport for London Staff Welfare Fund are non-members of TBF.

Subject to the requirements of the Charity Commissioners and HM Revenue & Customs, we shall keep an open mind about possible services to members over and above those provided under our Deed, where others are prepared to fund these. We might consider forming a trading subsidiary if this appeared likely to enable us to achieve an improved level of income for the charity, but no early moves are expected in this direction. We shall keep these matters under notice and also welcome donations from other sources – even if these are of a restricted nature.

In appropriate cases, we shall continue to try to persuade managements that offering corporate membership to their staff is beneficial to all concerned. Because such arrangements result in a loss of tax benefits, we shall not be offering any reduction in the contribution rate in these circumstances. We have a small number of employers making payments through this arrangement, but there are some problems. Whereas we looked to corporate membership schemes as offering the best hope of growth a few years ago, we now look again to individual membership.

4.14 The Sandra Barr Memorial

We shall continue to bring the existence of this memorial to the attention of beneficiaries and shall use it to pay for new nebulizers. In principle we could also use it to service existing machines, but this might exhaust the memorial - although there is no reason why we should not allocate additional funding to it as needs arise.

4.15 The Issy Gold Memorial

Issy was the Secretary of (L) TBF until 1985 and his passing in 2005 was sorely felt by the trustees, staff and many older members. We have established a memorial to him, with the purpose of relieving need, hardship or distress among beneficiaries who have retired from London Transport or its successors. We hope to attract further donations to this memorial.

4.16 Incorporation

We shall consider incorporation of the charity as provided for under the Charities Act 2006, as this may help the functioning of the charity. We regret the time it is taking for the new legal form envisaged by that Act to become available to charities wishing to incorporate.

4.17 Custodianship

We would be able to dispense with the services of the Official Custodian of Charities in respect of the leases on the office premises were we to incorporate, though this would be of limited interest in respect of the present office lease.

We shall continue to monitor the arrangements for the custodianship of our reserves to ensure that these offer the maximum possible security.



4.18 Corporate Governance

We shall continue to strengthen the processes which have been introduced.

The Director's Authority document is reviewed regularly to ensure that it continues to enable him to extend timely help to beneficiaries and to develop TBF, while protecting the interests of the charity and its beneficiaries.

4.19 Trustee Indemnity Insurance

We no longer need Charity Commission approval to introduce this, but will take no decisions until we decide whether or not to incorporate.

5. COMMUNICATION WITH BENEFICIARIES

All forms of communication have costs, and attempting to keep in touch with the many thousands of active and retired members would incur significant cost – even were addresses known. We do not believe the cost and time involved would be of any real benefit to beneficiaries and prefer to devote our resources to ensuring that a full range of benefits is available for them in time of need. We do not detect any wish on the part of most members to alter these priorities.

Nevertheless, we shall seek to continue to communicate through Local Committees and management or union magazines. We are further developing our website.

6. IN CONCLUSION

The Director will be pleased to supply any more information on issues covered by this plan and will arrange for the trustees to consider suggestions from whatever source. TBF is here to support public transport workers and their dependents and thus help the industry, in ways which are not judgmental but encourage people to retain dignity and build their self-reliance. We are always keen to expand the work within the available resources.