

LONDON 2007

Minutes of the National Trust Annual General Meeting held at Central Hall, Westminster, London on Saturday 3 November 2007

Chairman: William Proby

Present: Laurie Magnus (Deputy Chairman), members of the Board of Trustees, members of the Council, the Director-General, members of the Senior Management Team, staff and some 650 members of the National Trust.

1. Welcome and introduction

The **Chairman, William Proby**, welcomed members to Central Hall, Westminster.

The **Director-General, Fiona Reynolds**, extended the welcome to include those watching the AGM via the internet and encouraged members to ask questions, make comments and take part in debates. The Chairman and Director-General would be available in surgeries during the afternoon to discuss all aspects of the Trust's work. They would be joined by Bobbie Aubrey-Fletcher, Regional Chairman for Thames & Solent and Patrick Begg, the Regional Director, who, at the end of the morning, would be giving a brief introduction to the Region.

The Director-General also thanked the many volunteers and staff who had given up their time, and particularly the Kensington and Chelsea National Trust Association.

The **Chairman** opened his remarks by reflecting on the proximity of this year's AGM to the Palace of Westminster where 100 years ago the first National Trust Act was passed and where the Trust's achievements over the past century were celebrated earlier that summer. The Act established the principle of inalienability, which has been the bedrock of the Trust's core purpose of looking after special places forever, for everyone and which allowed the Trust to safeguard land and buildings in perpetuity.

The Chairman reflected on the previous year, highlighting the fantastic news that membership had reached more than three and a half million people. The Trust was repairing and restoring more than ever as it kept conservation at the very heart of its activities and, despite one of the wettest summers in memory, visiting figures were good and the accounts were as healthy as many could remember.

Turning to the future, he outlined the challenge the Trustees had set themselves regarding future acquisitions and about how in the 21st century the Trust should reflect its founders' intention that everything the Trust acquired should be for the benefit of the nation. The Trustees had not yet reached any firm conclusions but were agreed that the Trust should concentrate on those special places – both buildings and landscape – whose irrevocable loss would be intolerable for the nation.

The Trust's founders had concluded that the loss of open spaces was one of the greatest threats to our national life, and this remained equally true today with more than 10,000 acres of Green Belt estimated to be at risk from development in regional plans. However, contrary to what had been reported in that day's edition of *The Times*, the Trust did recognise the need for some housing development, but believed such

development should be undertaken in environmentally sensitive ways. Such an example was the Stamford Brook development on part of the National Trust's Dunham Massey estate in Cheshire.

The Trust was not against progress, but the sheer scale of current plans required the Trust to consider how these open spaces could be protected. The Trust therefore needed to develop new arguments that defined the benefits to the nation provided by open spaces. The Chairman therefore launched a debate, saying that over the coming months the Trust intended to widen the debate and would be engaging supporters to contribute to it.

The Chairman concluded his speech by thanking the members, staff and thousands of volunteers for their support and without whom the Trust could not do its work.

2. Minutes

The minutes of the meeting held in Cheltenham on 4 November 2006 were approved by the meeting and signed by the **Chairman**.

3. Annual Report and Financial Statements 2006/07

Fiona Reynolds, Director-General, opened her comments by thanking the staff, volunteers, members and supporters who had helped contribute to another fantastic year. Highlights of the year included the successful *History Matters* campaign, the launch of the Fine Farm Produce Award, progressing the Wicken Fen habitat restoration plans, launch of the appeal to raise £5.4 million to reopen Agatha Christie's House, Greenway, in Devon and the purchase of Quarry Bank House and Garden in Cheshire.

Perhaps the most important event of the year was the launch of the new strategy, *Our Future – Join In*. The Trust wanted people not only to join the Trust but to join in by fostering a greater sense of belonging amongst its supporters and helping them to feel part of a movement – a movement that cared passionately about nature, beauty and heritage. The new strategy was based on a very simple proposition: the need to inspire and engage people more deeply through the fantastic quality and vision of the Trust's conservation and environmental work. This approach required the Trust to reach people and then to sustain their interest and support. That meant moving from a transactional relationship to more of an emotional one. The Trust wanted to share its passion for everything it did: caring for paintings and tapestries; gardening; managing great landscapes; acquiring places at risk; shaping public policy or tackling climate change. And having shared it, the Trust would give people the chance to join in and take part.

In conclusion, the Director-General stated that the Trust's great skill, and great success, had been its readiness in each generation to equip itself for the new challenges whilst never throwing out the hallmarks of its success – providing quality, inspiration and beauty for everyone. She thanked all supporters for their help which had enabled the Trust to be ready to meet the challenges of the future with optimism and confidence.

The Chairman formally moved the adoption of the Annual Report and Financial Statements for 2006/07.

Laurie Magnus, Deputy Chairman, formally seconded the adoption of the Annual Report and Financial Statements.

He reported that the Trust had had an impressive financial result, achieving a net gain which exceeded 20 per cent of ordinary income and a General Fund operating contribution of over £20 million. These targets had been set four years ago to reverse a marked decline in the Trust's financial fortunes which had seriously threatened the Trust's ability to meet its long-term obligations.

Achieving the targets had required an intensive focus on increasing income through new memberships, increased sales in the Trust's shops and restaurants, and many other initiatives at properties. It had also involved controlling expenditure, ensuring that the Trust achieved better value for money whilst reducing costs and managing staff headcount.

The Deputy Chairman explained that the excellent financial performance enabled the Trust to meet its perpetual liability of conserving its vast portfolio of properties, enjoyed by tens of millions of visitors each year. There would always be buildings to repair, maintain and restore – the Trust's perpetual obligation extended to its vast estate of over 600,000 acres and 700 miles of coastline. Last year, the Trust spent £144 million on routine property maintenance and nearly £78 million on capital projects, a total of £222 million.

The Trustees were proud of the Trust's strong finances which meant that it was well placed to launch its new and exciting strategy. Over the next few years, the Trust would be adopting a triple bottom line approach whereby it would maintain its focus on financial performance, but as part of a broader approach to performance assessment that also took into account its performance in engaging people and its performance in conservation and environmental work.

The Deputy Chairman summed up by stating that the role of Trustees was to ensure that the Trust, as a great heritage organisation, was well-placed to meet its enduring purpose. The accounts proved that the Trust was up to the task, and he commended them to the meeting.

The **Chairman** invited questions from the floor.

The first question taken was submitted via the webchat facility which was in use for the first time. **Paul Weaver from Poole in Dorset**, picking up on the greenfield theme from the Chairman's opening address, asked what criteria the Trust would use to select sites if it were to acquire greenfield land to prevent development, as reported in the press.

In response, **Peter Nixon, Director of Conservation**, explained this question was best answered by considering the development principles the Trust applied to its own land and then applying these to proposed developments. The key criterion for the Trust was that any development must be capable of being carried out in a sustainable way. Other criteria included the need to meet donors' wishes and for the development to have been identified through the local democratic planning process in the statutory development plan. The Stamford Brook housing development at Dunham Massey was an example where these principles had been applied.

David Simmonds from Chelmsford in Essex sought further comment on the suggestion that the Trust should buy out development rights in order to protect the countryside. He drew attention to an article by Sir Simon Jenkins in the April edition of *Country Life* which considered ways in which the National Trust might develop in the future.

Tony Burton, Director of Policy & Strategy, confirmed that the Board of Trustees had considered the possibility of buying land development rights and this was very relevant to the debate the Chairman had announced. The Trust welcomed views from everyone on these issues.

The development theme was continued by **Haydn Taylor from Wrexham** who viewed the Trust's role in the current housing development on the Erddig Estate in North Wales to be hypocritical in the light of the Chairman's earlier comments.

Details of the Trust's involvement in the Erddig Estate development were provided by **Iwan Huws, Director for Wales**. Erddig house and estate were gifted to the Trust in 1973 by Philip Yorke with land on the periphery of the estate available for investment as endowment land. The endowment for Erddig had a shortfall of about £15 million, which required the Trust to realise the equity in the endowment land. The proposed development was for 223 houses, 25 per cent of which would be affordable homes. Whilst the development had been controversial in North Wales, it would comply with the sustainability principles described by the Director of Conservation. It would also be subject to the local democratic process and was needed to raise funds for conservation to protect the future of Erddig in perpetuity.

Mr R.G. Craven from Southend-on-Sea in Essex

questioned whether the top priority of the National Trust should be to increase the funding of environmental and counter climate-change initiatives instead of the preservation of antiquities.

Peter Nixon, Director of Conservation, explained that the Trust recognised the need to address environmental issues if it also wanted to safeguard the built heritage and its collections. A key element of the Trust's new strategy was the reduction in the Trust's environmental footprint. Considerable effort and resources were being allocated to address the issue. The protection of the environment was complementary to the Trust's work in protecting antiquities, historic houses and their collections. The answer was that the Trust had to do both and understand the connections.

Andrew Turner-Cross from Slindon in West Sussex

and Chairman of the Tenants' Association of the National Trust (TANT) noted that whilst there had been many improvements for tenants since the adoption of the Blakenham Review, there remained a number of core complaints. He acknowledged that the Trust's senior management and TANT were working closely to address these but the underlying causes remained and needed to be addressed by an independent body. He therefore asked the Trust to instigate an independent housing management review between now and the next AGM.

Peter Nixon, Director of Conservation, accepted that the Trust did not always get it right and was keen to learn from practice elsewhere. Over the coming year the Trust would start to identify the comparators that could provide a relative measure of how well the Trust was performing. However, in considering the right approach, it was important to note that the Trust's core objectives related to conservation which needed to be considered in tandem with its responsibility to its tenants.

Robert Clarke from London sought reassurance that Whole Farm Plans were still seen as an appropriate mechanism to help tenant farmers and queried whether the Trust still employed the nine farm and conservation officers recruited in 2001 to help with these plans.

Peter Nixon, Director of Conservation, confirmed that there had been an increase in the number of these officers in permanent posts. Whole Farm Plans remained central to the Trust's approach to its relationship with farm tenants and it had been prioritising those farms where a Whole Farm Plan would make the greatest difference. Peter congratulated Robert and Sarah Helliwell, hill farming tenants in the Peak

District, who had recently been named *Farmers' Weekly* countryside farmer of the year, and with whom the Trust had worked closely in the preparation of their Whole Farm Plan.

Greg Slay from Chichester in West Sussex noted that there was a marked absence of seats and benches along the footpaths of the Golden Cap Estate, even on the steep hilly sections in the Trust's ownership. He sought clarification on the Trust's policy with regard to the provision of seats and resting places for visitors.

Simon Murray, Director of Operations, stated that there was no policy prohibiting the provision of benches or resting places. However, there was a clear need to strike a balance between maintaining beautiful places and providing visitors with places to sit and rest. Simon undertook to look into the Golden Cap case.

Gillian Commins from London highlighted the difficulty of getting to properties for members without cars and asked what priority the Trust was giving to providing a solution for this problem.

Simon Murray, Director of Operations, accepted that this was a difficult problem to answer and considerable thought had already gone into balancing access for all with environmental issues. Over the years the Trust had put in place a number of schemes in which the Trust paid for buses from city centres and main railway stations to remote properties. Without exception they had been so poorly used that the Trust had had to stop the schemes. The problem was not one the Trust could solve on its own and it continued to lobby government on improving transport in rural areas.

Robert Dove from London asked what the Trust's plans were to reduce the £46 million pension deficit and requested that next year's Report and Accounts identified how the commitment would be met.

Andy Copestake, Director of Finance, responded by first clarifying that the final salary pension scheme was now closed to new members. The figure of £46 million had been calculated at the end of February 2007 and included discretionary benefits. The deficit was reported monthly, and since the investments were in the stock market they were subject to monthly fluctuation. The Trust's management met regularly with the pension scheme Trustees to address the deficit and was confident that by the end of the current financial year the figure would be lower. Next year's Annual Report and Accounts would include more information on the progress made with the pension fund deficit.

On another financial theme, **Mr Leeding from Oxford** asked how often the appointment of the fund managers was reviewed.

Laurie Magnus, Deputy Chairman, stressed the importance of the Trust's investment funds which were the biggest asset on the balance sheet and the endowments for the Trust's properties. The Trust had an excellent Investment Committee which was chaired by Trustee Michael Quicke and which had as members a number of investment specialists. The Investment Committee reviewed the fund managers' performance on a regular basis and in the last 12 months had made some changes by removing one fund manager and replacing it with two others. Fund performance was kept under very close review by both the Investment Committee and the Board of Trustees.

Mr K.R. Woodburne from Addington near West Malling in Kent raised two queries regarding empty residences – first whether the Trust was affected by the changes to council tax charges on empty residences and second whether the Trust would be dissuaded from taking on empty residences as a result of recent press coverage in *The Times*.

Peter Nixon, Director of Conservation, confirmed that as far as he was aware the council tax legislation issue did not affect the Trust and that the press coverage would not dissuade the Trust from taking on empty properties. The Trust continued to aim to reduce the number of vacant houses as this was better for the conservation of the property and for generation of rental income. Keeping the Trust's empty properties to a minimum remained a challenge as a result of extensive conservation requirements. This also made performance comparison with other organisations difficult and reinforced the need for careful benchmarking.

Turning to an environmental theme, **Gloria Edwards of Cockermouth in Cumbria** asked via the webcast why it was not policy to use recyclable paper rather than plastic bags in National Trust shops, thereby sending a positive message about the National Trust's environmental policy.

Sue Wilkinson, Director of Marketing & Supporter Development, thanked members for all the support they gave the Trust. She added that it was right for the Trust to be challenged on its environmental policies. The Trust had made progress but she acknowledged the need to do more – examples included the use of small paper bags and the introduction two years ago of biodegradable plastic bags and sweet wrappers made from cornstarch. In addition to introducing biodegradable materials, the Trust was seeking to reduce the usage of plastic bags and had introduced a reusable biodegradable jute bag. The Trust was committed to reducing its packaging but knew there was more to do.

Len Snow from Whitby in North Yorkshire highlighted the plight of a local 400- year-old building which was in a

dilapidated state and likely to fall into ruin. He asked what role the National Trust could take in the preservation and protection of buildings which were at risk.

Sarah Staniforth, Historic Properties Director, explained that there was a register for buildings at risk in England which was run by English Heritage, with similar lists maintained for Wales, Scotland and Northern Ireland. The answer was to find a sustainable use for such buildings, such as the New Inn at Stowe which the Trust would be using as a visitor facility. The Trust was in dialogue with English Heritage in addressing why buildings became 'at risk' and had identified sustainable use and a lack of maintenance as the prime reasons. The Trust believed it had a leadership role to play and sought to demonstrate by example through the maintenance of its own buildings and thus prevent buildings from becoming at risk in the future.

The last question came via the webcast from **Jake and Tomas Watkins of Reading in Berkshire** who asked if there really was a monster under the heart stone at St Michael's Mount.

The **Chairman** was happy to confirm that to his knowledge there was no monster but that he had heard of a giant called Cormoran who was said to have created the Mount. The Chairman was reliably informed that if you walked up the side of the Mount on a quiet morning you can still hear Cormoran's heart beating!

The Chairman thanked all the speakers for their questions and invited members to vote by a show of hands on the resolution to approve the adoption of the Annual Report and Financial Statements for 2006/07. There was an overwhelming show of hands in support and no request for a poll. The resolution was passed by a show of hands.

4. Appointment of Auditors

The resolution to appoint PricewaterhouseCoopers LLP of 31 Great George Street, Bristol, BS1 5QD as auditors for the next year was proposed by the **Chairman** and seconded by **Laurie Magnus, Deputy Chairman**. The resolution was passed by a show of hands.

5. Members' Resolution: on the number of signatures required to bring a resolution to a National Trust AGM

The resolution was proposed by Council member **John Farley from Shropshire** who explained that the resolution was aimed at empowering and engaging members in the running of the Trust. The resolution to reduce the number of signatories required to raise a resolution from 50 to 10 was

consistent with the key engagement theme of the new strategy and the members' Handbook description of the purpose of the AGM. Mr Farley did not believe the Board of Trustees had presented any rational argument as to why the resolution should be opposed, nor did it identify any potential damage to the Trust if the resolution was passed.

Richard Cuthbertson from Llanberis, Gwynedd, also a Council member, seconded the resolution and provided background information on how the current rule of a minimum of 50 signatories had been established. The Blakenham Review of the Trust's governance arrangements had proposed increasing the level from 10 signatories to 200 signatories at a time when there were concerns about restricting the impact of special interest groups. The Council had rejected the 200 figure settling instead on an increase from 10 to 50. There were, however, a number of Council members who still considered 50 to be too high. Given that resolutions were the single opportunity for the membership to express its views on an issue, it seemed contradictory with the strategic plan aims of greater member engagement to set the bar so high. He therefore supported returning the number of signatories to 10.

Providing the Trustees' response, **Michael Quicke, Trustee and Council member**, suggested that after only two years it was too early to think about changing the arrangements for members' resolutions. The Board of Trustees felt that 50 represented a good balance between the need for concerned members to be able to bring forward formal resolutions and the need to keep AGMs informative and of a manageable length. Formal resolutions were useful for matters where a large number of members wished to express their views on matters of real concern and, in these situations, obtaining 50 signatories would not be a barrier. The Board of Trustees was keen to engage members at the AGM and believed that maximising the time available for the morning question and answer session (which now included an on-line facility) and the afternoon surgery was a better way to achieve this. The Board of Trustees recognised that this was a difficult issue, but recommended that the members did not support the resolution.

Robert Clarke from Kennington, London explained that he had been a regular attendee at AGMs since the 1970s and had taken part in the previous debate when the level was increased to 50 signatories. He had not supported the increase to 200 and, whilst not convinced that 50 was the right level, he believed it was too early to revert back to 10. He also believed that the current resolution process did not allow for appropriate debate or discussion on topical issues and suggested an alternative structured debate would be a better vehicle for engaging members' views.

This theme was picked up by **Gillian Kaile from Bromley in Kent** who agreed that a better way of involving everybody was needed. She noted that, whilst there was potential for special interest group issues to be debated, it was also difficult for many members to raise 50 signatories. She suggested the issue be brought back to the AGM when there was more evidence on whether the level of 50 was too high and preventing good subjects from being debated.

Peter Bate from Minehead in Somerset held the view that if the subject was important enough it should be easy to raise 50 signatories out of a membership of 3.5 million. Process resolutions such as the one being debated had reduced the opportunity to discuss issues he wished to raise, such as the Trust continuing to purchase new properties when it had a repair backlog of £162 million.

Graham Kemish from Orpington in Kent supported the resolution and suggested that it would be relatively straightforward to revert to the 50 signatories level if the Trust had a number of frivolous or special interest group resolutions.

In summing up on behalf of the Trustees, **Michael Quicke** said he had found the points raised about engaging views interesting but remained convinced that there were better ways to communicate with members, both at AGMs and elsewhere, rather than through formal resolutions. He then reiterated his key points that after only two years it was too early to seek a revision and that given the amount of time that a resolution took up the number of 50 was reasonable. Whilst the Board of Trustees accepted this was a difficult matter, it recommended members vote against the resolution.

John Farley opened his conclusion by questioning the assertion that it was easy to get 50 signatories. His experience of having raised two resolutions did not support this statement. He remained convinced that the level of 50 was too high in that it excluded members and was much higher than comparable organisations. Furthermore, the rules on members' resolutions allowed the Board of Trustees to reject a similar resolution for three years and if this resolution was not supported the next time the issue could be debated would be 2011. However, if the resolution was passed and the reduction in signatories to 10 did cause any problems, the Board of Trustees could submit its own resolution to increase the number of signatories much earlier. He concluded by urging members not to miss the current opportunity and to support the resolution.

The **Chairman** requested a show of hands and, due to a mixed result, called for a ballot. Members were asked to complete the green ballot paper headed 'Ballot paper for the members' resolution on the number of signatures required to bring a resolution to a National Trust AGM' and hand it in at the end of the meeting.

6. Elections to the Council

Paul Boniface, Acting Secretary, announced the results of the postal ballot for the election of members of the Council in the order that the candidates appeared on the voting paper as follows:

Roseanne Williams	14,146	
Robert Waley-Cohen	29,968	Elected
Michael Quicke	28,851	Elected
Mary Villiers	30,015	Elected
Harry Goring	30,069	Elected
Andrew Manning	8,685	
Anne Anderson	11,819	
Geoffrey North	7,639	
Richard Thomas	7,883	
Roger Maber	6,059	
Aljos Farjon	11,475	
Pat Morris	32,712	Elected
Caroline Tisdall	30,642	Elected
Henry Keswick	16,613	
Diana Kershaw	29,645	Elected
Jane Farrington	28,866	Elected

The **Chairman** congratulated those who had been elected to the Council and thanked all 16 who had stood.

7. Introduction to the Thames & Solent Region

Patrick Begg, Regional Director for Thames & Solent, welcomed members to the region before giving an overview of the diverse range of properties and countryside within the region. He also gave examples of the many conservation and environmental projects that were happening and, in particular, the steps being taken to encourage deeper relationships with supporters.

8. Octavia Hill Medal

The Octavia Hill Medal was presented to Miss Helen Brotherton for outstanding service and contribution to the Trust, with a citation delivered by **Fiona Reynolds, Director-General**.

9. Conclusion

The **Chairman** concluded the meeting by thanking attendees and reminded members to vote as they left the hall with the results to be announced at 3.30pm. He also expressed his thanks to the two sign language interpreters and stenographer.

10. Result of the Ballot

Resolution 3

That the number of signatures required to support a resolution to be tabled to the AGM of the National Trust be reduced from 50 to 10.

	<i>For</i>	<i>Against</i>	<i>Abstain</i>
Specified	17,978	15,898	1,838
Discretionary	2	6,806	0
Total votes	17,980	22,704	1,838

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