

# NEWCASTLE UPON TYNE 2004

Minutes of the National Trust  
Annual General Meeting held at  
City Hall, Newcastle upon Tyne  
on Saturday 6 November 2004

**Chairman:** William Proby

**Present:** Henry Aubrey-Fletcher (Deputy Chairman and Chairman of the Properties Committee), Laurie Magnus (Chairman of the Finance Committee), 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 the City Hall in Newcastle upon Tyne. He reminded them that this was their day and above all he wanted to hear from them with their thoughts and concerns.

The Chairman introduced Henry Aubrey-Fletcher, Deputy Chairman and Chairman of the Properties Committee; Laurie Magnus, the Chairman of the Finance Committee; the Director-General, Fiona Reynolds; John Bridge, Chairman of the Yorkshire & North East Regional Committee; David Ronn, Regional Director for Yorkshire & North East; and the Solicitor and Secretary, Tim Butler. The Director-General added that most of the Council and the Senior Management Team were present and urged members to take the opportunity to talk to them.

William Proby said a special thank you to those members of local Centres and Associations who had given up their time to welcome members to Newcastle the previous evening and to help with counting votes at the meeting.

In his opening remarks, William Proby focused on three things – delivering the Trust’s core purpose, the new governance arrangements and why the Trust’s work was so relevant today. The Chairman spoke of how the words ‘for ever, for everyone’ encapsulated the real challenge the Trust faced and explained why achieving a £20m operating contribution to plough back into the Trust’s conservation work and tackle the backlog of repairs was vital if the Trust was to continue to achieve its core purpose.

He also described the detailed work he was leading to ensure that the best possible governance structure was implemented and paid tribute to the members of the Council who had taken on the heavy responsibility of putting in place a structure that would help to ensure the right decisions were taken in a timely, well-informed and accountable way.

Lastly, William Proby emphasised the huge social and economic benefits of the Trust’s work and the important contribution the historic environment makes to the quality of all our lives. He explained why the business of the Trust is as much about the future as it is about the past and highlighted the wider contribution made by the Trust’s work, as land manager and steward of historic properties, by supporting businesses, providing learning and training and helping other organisations. The Chairman went on to say that he did not believe that the Government had yet realised the social and economic benefits of heritage, it had still not put heritage high enough up its agenda and continued to fail to

understand the contribution of the historic environment to the quality of all our lives.

**Fiona Reynolds, the Director-General** reminded members that this weekend the Trust was celebrating the tenth anniversary of the National Lottery, in particular the Heritage Lottery Fund, and the significant projects the Trust had been able to achieve with its support.

## 2. Minutes

The Minutes of the meeting held in Portsmouth on 15 November 2003 were approved by the meeting and signed by the Chairman.

## 3. Matters arising

**Patrick Begg, Regional Director for Thames & Solent** updated the meeting on the proposed housing development at Cliveden, which was the subject of a members’ resolution at the 2003 Annual General Meeting.

Patrick Begg emphasised that the aim of the development was to generate income to help conserve one of the Trust’s most important houses and to regenerate the old hospital site. He reported that the Trust had submitted a scheme to the South Buckinghamshire District Council for the redevelopment of the brownfield former Canadian Red Cross Hospital site which had been turned down for planning permission. The Regional Director stressed that the scheme met all national and local planning guidelines and would be the subject of an appeal to the Secretary of State to be heard in August 2005.

## 4. Council Resolution: general meetings

**Henry Aubrey-Fletcher, Deputy Chairman**, introduced the resolution by reminding members that at the 2003 AGM members had welcomed the proposals to change the governance of the Trust and had asked the Council to implement the recommendations set out in the Governance Review Report.

The Deputy Chairman updated members on the progress made over the past year and confirmed that the new governance structure and arrangements would be in place, as planned, on 1 September 2005. He explained that the purpose of the resolution was to ensure that members were happy with the new rules for general meetings. Henry Aubrey-Fletcher emphasised that the aim was to make sure that general meetings – both Annual General Meetings and (on the extremely rare occasions they are needed) Extraordinary

General Meetings – provided a forum for a valuable exchange of views about matters of real significance to the Trust and to make participation in these meetings as easy as possible.

Henry Aubrey-Fletcher proposed the resolution and the Chairman seconded it.

The Chairman invited questions from the floor and asked speakers to give their name and to say where they lived.

In responding to a question from **Mrs B. Heckford** of Cambridge the Chairman agreed to look at the practical issues associated with bringing forward the timing of future Annual General Meetings to September/October. He did, however, emphasise that venues for these meetings were organised several years in advance so any change would take a number of years to come into effect.

The Chairman confirmed to **Mrs Jill Price** of King's Lynn that any member attending the meeting could act as a proxy. On a second question from Mrs Price about the size of the Council and the need for a majority of Council members to serve on the Board of Trustees, the Chairman explained the reasons for continuing to have a strong representative Council with a breadth of experience and perspective to ensure that the Trust continued to take full account of the wider interests of the nation for whose benefit it exists. On the make-up of the Board of Trustees, he stressed that the aim was to appoint the best possible Board with a broad range of relevant skills and experience and this would include a majority of members drawn from the Council.

**Mr A. Childs-Clarke** from London was concerned that the increased number of signatories required for a members' resolution would make it more difficult for individual members to put forward resolutions. The Chairman explained that there had been a long debate in Council on this issue and that it had felt that 50 (rather than the 200 recommended in the Governance Review Report) was appropriate for the size of the organisation and was not too great to deter a resolution. He emphasised, however, that the intention was not to deter members from putting forward resolutions and if it was felt that this was happening it would be looked at again.

In response to a question from **Mr R.A. Walster** of Retford, **Jane Clarke**, Assistant Director Committee Services and Administration, confirmed that the Trust was discussing with Electoral Reform Services the arrangements for providing for electronic voting in addition to postal voting.

**Robert Morley**, a member of the Council and Governance Review Implementation Steering Group, responded to the

concern expressed by **Mr S.R. McCombie** of Abergavenny that the number of signatories required under the new regulations made it impractical for members to convene an Extraordinary General Meeting. Mr Morley recognised that a quarter of one per cent of the membership was a lot of members, but emphasised that it was becoming easier to communicate with large numbers of people and that the Council believed that this level of support should be easily attainable in the sort of situation that would require an Extraordinary General Meeting. Mr McCombie also queried the wording of the regulations about members' resolutions and Mr Morley explained that this wording was based on the existing rules and was designed to give the trustees flexibility to take account of the context when reaching a decision about whether or not a resolution should be taken.

In response to a question that had been submitted in writing, the Chairman explained that it was the intention that responses to resolutions from the Board of Trustees would be within the 500-word limit, but that the regulations also needed to provide for exceptional circumstances when a more detailed explanation was needed – such as the Council Resolution being discussed.

**The Solicitor and Secretary, Tim Butler**, explained the procedure for voting. He also reported that, as was the usual practice at Annual General Meetings of the National Trust, the Executive Committee had required that there should be a ballot on all the resolutions.

## 5. Elections to the Council

The Solicitor and Secretary, Tim Butler, announced the arrangements for the election of eight members to the Council. He asked the members who had not already done so to select up to eight candidates and to complete the ballot paper for the elections to the Council.

## 6. Annual Report and Accounts

**Fiona Reynolds, the Director-General**, drew members' attention to the new style of Annual Report and Accounts, which was a first step towards producing a Trustees' Report that evaluated the performance of the Trust against its key objectives, in line with what the Charity Commission now asked charities to do.

The Director-General gave members an overview of the previous year and described some of the achievements and challenges, including examples of reopenings, new properties and innovative countryside projects. She concluded by telling

members what the Trust was doing to prepare for the many challenges ahead, and in particular how the Trust was working to get costs under control and to generate a much larger operating contribution to reduce its dependence on external funding, to bolster the Trust's reserves and to spend on vital conservation and access work.

The Chairman formally moved the adoption of the Annual Report and Accounts for 2003/04.

The **Chairman of the Finance Committee, Laurie Magnus** formally seconded the adoption of the Annual Report and Accounts. In presenting the Accounts for 2003/04, he paid tribute to Jane Clarke, Assistant Director Committee Services and Administration, for her role in devising a new format for the Annual Report and Accounts that would save a considerable amount of money each year.

The meeting noted the excellent performance in 2003/04, including an increase in membership income of 11 per cent to £84 million; an increase of 45 per cent in the contribution from the Trust's Enterprises operation, to almost £17 million; and a record £48 million in legacies received.

Laurie Magnus reported that the investment portfolio had risen by 17 per cent to £650 million but remained well below the peak of 1999 and that the pension fund deficit was recorded in the accounts as standing at £80 million. This led to significant additional annual costs.

He emphasised that the Trust was not a wealthy organisation and that its perpetual liabilities were enormous, with the backlog of conservation and restoration work estimated to be at least £200 million and a large number of properties being under-endowed.

The meeting noted that the general fund operating contribution in 2003/04 was £3.9 million in 2003/04 and that a target had been set to achieve a £20 million general fund operating contribution by 2006/07, and then continuing at that level as a percentage of income into the future. The Chairman of the Finance Committee explained that the plan to achieve the target included increasing income and reducing costs, focusing on fewer things and doing those fewer things better.

He concluded by expressing his confidence that the Trust, with its immense support from staff, volunteers, members and visitors, could meet the huge financial challenges ahead and fulfil its obligation to look after its unique estate for ever, for everyone.

**Mr Robert Clark** of London asked for details of staff turnover resulting from the organisational review and the establishment of a new Yorkshire & North East Region. **Paul Boniface, Director of HR and Legal Services**, reported that the number of senior and middle managers who left the organisation in the years 2002/03 and 2003/04 was 37; the number of compulsory redundancies over the same period was 78, and that a further 121 people left the Trust on the basis of voluntary redundancy. The staff turnover figure had risen from 12.4 per cent in 1999/2000 to 14.5 per cent in 2001/02 and to just above 19 per cent in 2002/03. The increase could largely be attributed to office closures and openings during this period but the underlying figure would be kept under close review. He described how initiatives in the Yorkshire & North East Region had worked to bring together staff from the two former regions and to make sure the different identities within the region were not lost.

In response to a series of questions from **Mr Ken Fabian** of Bradford, **Anne Dixon, Director of Customer Services**, stressed how important the work of Centres and Associations was to the Trust and that she was eager to do everything she could to support them in raising money for the Trust's work. However, she explained that handling smaller quantities of goods was uneconomic for the Trust and this was why the Trust could give only the 40 per cent discount on goods if they were provided direct from the warehouse and why there was a minimum order of £100.

**Mr Maurice Taylor** of Ripon asked how he could take forward the suggestion he made four years before about Centres and Associations helping the less well-off participate in activities by, for example, providing assistance with transport to Acorn Camps. In responding, Anne Dixon, Director of Customer Services, welcomed Mr Taylor's suggestion and gave examples of Centres and Associations which were already buying education group membership for local schools or providing travel grants for local schools to get to properties. She stressed how much the Trust appreciated the help Centres and Associations gave to its youth work but emphasised that the Trust was having to prioritise the new initiatives it took forward very carefully. The Regional Director would talk to Mr Taylor about how his ideas could best be taken forward and on what time frame.

**Mr James McKay** of Warwick asked about the expected level of support costs over the next five years. **Andy Copestake, Director of Finance and IS**, reported that after 2006/07 there would be no further costs from the organisational review, and the impact on the bottom line would be a real

benefit of £1 million a year. He went on to explain that support costs represented only just over 6 per cent of total income and that in the future the aim was to reduce that figure to between 4–5 per cent, a saving of between £2 and £3 million each year.

In response to a question from **Miss Sarah King** of Darlington, **Sue Holden, Business Administration Director**, explained that the Trust's records were already open for formal research and that staff were currently in discussion with the local Records Office to provide public access to the Trust's archive.

**Mr Rodney Legg** of Wincanton asked whether young people's and children's subscription rates could be frozen to encourage more young members to join.

**Mr Anthony Rowlands** of East Cumbria asked whether the Trust took the age profile of its membership into account when developing its policies and also asked about how the Trust could do more to help visitors without an in-depth knowledge of history to get more out of their visits to properties.

In response to Mr Legg and Mr Rowlands, Anne Dixon, Director of Customer Services, reported that one in five members were now under 44 and that one-third of memberships were families. She also described the different ways the Trust was starting to reach out to different groups of people and explained how as part of the youth programme two Youth Fora have been set up to help the Trust find out what 12–18 year olds are looking for from the Trust. The Director-General highlighted the importance of good interpretation and the Trust's focus on learning experiences for all to help every visitor get more out of their visits.

**Mr Peter Bate** of Exmoor asked the Trust to agree to allocate 100 per cent of the rental income of its properties to bringing them up to the Government's Decent Homes Standard until such time as the £50 million identified by the Tenants' Association of the National Trust as the amount needed to bring the housing stock up to the required level had been set aside. He also asked the Trust to consider as a matter of urgency setting up a housing trust to manage the Trust's housing stock. Peter Nixon, Director of Conservation, welcomed the formation of the Tenants' Association of the National Trust and drew attention to the new house letting policy that the Council had asked the Trust to produce. It addressed many of the issues Mr Bate had raised. He explained that the Council was considering the policy at its January 2005 meeting and any comments from members on it would

be welcomed. Mr Nixon recognised the Trust's responsibility as a very big landlord and acknowledged that the Trust did have some rented houses where it could do more, in terms of their state of repair. However, he emphasised that the Trust was already planning to spend around £5 million on houses and cottages next year. This would be topped up with as much money as possible from the operating contribution but this had to be allocated in the context of the huge demand across the whole range of the Trust's work for more funding. Lastly Mr Nixon made it clear that it was not the Trust's intention to become a housing association because it was not within its statutory purpose. Nevertheless he agreed that the Trust should aspire to be operating in line with good practice.

In response to a question from **Mrs Cherry Lavell** of Cheltenham about what had happened on the ground as a consequence of the 2003 members' resolution on GM crops **Peter Nixon, Director of Conservation**, confirmed that there had not been any applications from tenants because no commercial growing was yet allowed and was not likely to be in the immediate future. He reminded members that if the Trust did receive applications and a particular crop was commercially allowable, the Trust's policy was to exercise as much control as possible. The Trust would make decisions case by case based on clear criteria and an analysis of the benefits and risks.

Anne Dixon, Director of Customer Services, thanked **Mr Paul Capper** from near Exeter for raising the issue of the Trust credit card. She apologised for the problem there had been, and confirmed that the Trust would be announcing in the spring a new provider which offered much more favourable terms to the Trust and to cardholders. Anne Dixon explained that the problem occurred when, after the Trust had given notice to HSBC terminating the arrangement, HSBC contacted cardholders itself, but refused to allow the Trust to make contact with cardholders and refused to reduce the one-year notice period.

The Chairman read out a written question submitted by **Carol Jefferson** of Loughborough on the financial contribution made by volunteers. Anne Dixon, Director of Customer Services, thanked everyone who volunteered for the Trust and emphasised that the Trust could not operate without them and how much they were valued. She reported that the recent audit had showed that last year the Trust had 39,300 volunteers who had gifted two and a half million hours which was the equivalent of at least £15 million and probably brought benefits amounting to nearer £35 million.

In answer to a written question from **Mr Ray James** of Oxford, Anne Dixon, Director of Customer Services, explained that the *Properties of the National Trust Handbook* published in 1997 was now available free of charge to members by contacting the membership department and that it was hoped that a database version of National Trust properties would be available in about a year. She also drew the attention of members to the newly published illustrated guide to National Trust heritage, *History and Landscape*. In answer to Mr James's second question, Peter Nixon, Director of Conservation, explained that paper towels were not always a practical alternative to hot air dryers in the toilets at properties. He agreed that wherever possible they should be used and emphasised that every effort was being made to minimise the environmental impact of the facilities at the Trust's properties.

**Mr Percy** asked for the pictures which illustrated the Director-General's speech to be annotated in future years.

The Chairman thanked all the speakers for their questions and asked members to vote on the resolution to approve the adoption of the Annual Report and Accounts for 2003/04 by completing their ballot paper marked 'C'.

## 7. Appointment of Auditors

The resolution to appoint PricewaterhouseCoopers LLP of 31 Great George Street, Bristol, BS1 5QD as auditors for the ensuing year was proposed by the Chairman and seconded by Laurie Magnus.

The Chairman asked those members who had not already done so to complete the ballot paper marked 'D'.

## 8. Conclusion

**John Bridge**, Chairman of the Yorkshire & North East Regional Committee and **David Ronn**, Regional Director, gave members an illustrated talk on the region and the Trust's work on the ground.

John Bridge highlighted some of the major projects in the region that had benefited from the Heritage Lottery Fund during the ten years of the National Lottery. He also described some of the rural challenges the Trust was facing and how the Trust was leading the way in finding sustainable solutions to the changing economy and social pressures in rural areas, such as by helping farm tenants to diversify and connect better with the market to obtain a higher price for their produce.

David Ronn spoke about what the Trust was doing to reach out to new audiences and enable the Trust's wonderful properties to be better understood by, and accessible to, an increasingly wider audience. He outlined some of the work going on in education and learning, as well as describing the objectives of the Inner City Project in Newcastle. He pointed out how the Project's achievements were aligned closely with the vision of Octavia Hill in the 19th century, from which the National Trust was born, and quoted one of the participants as saying, "I knew the National Trust restored old buildings; but I did not know it restored old people as well!"

The Chairman thanked all who had taken part in the AGM and looked forward to seeing as many members as possible in Brighton on Saturday 12 November 2005.

## 9 Results of the Ballots

The results of the ballots were announced as follows:

		<i>For</i>	<i>Against</i>
<b>Resolution A</b>	Specified	53,750	1,873
Council resolution: general meetings	Total	53,750	1,873
<b>Resolution C</b>	Specified	47,153	401
Annual Report and Accounts	Discretionary	18,629	0
	Total	65,782	401
<b>Resolution D</b>	Specified	46,367	1,511
Appointment of Auditors	Discretionary	18,537	0
	Total	64,904	1,511

## Elections to the Council

	<i>Specified</i>	<i>Discretionary</i>	<i>Total</i>	<i>Elected</i>
Diana Gibbins	32,982	4	32,986	
Frank Judd	26,937	12	26,949	
Harry Goring	38,386	14,981	53,367	Elected
Sophie Scruton	30,682	17	30,699	
Richard Ryder	26,049	13	26,062	
Robert Waley-Cohen	34,246	14,690	48,936	Elected
Mary Villiers	37,283	14,701	51,984	Elected
David Wootton	31,565	14,988	46,553	Elected
Judy Ling Wong	23,399	14,682	38,081	Elected
Michael Quicke	37,149	14,989	52,138	Elected
Hugh van Cutsem	34,108	14,692	48,800	Elected
Henry Keswick	34,411	14,691	49,102	Elected