

YHA (England & Wales)

Minutes of the Annual General Meeting held at The Royal College of General Practitioners, London on Saturday 30th June 2018

Present: Peter Gaines Chairman (Presiding)
Margaret Hart Vice-Chair
Ian Maginnis Treasurer

Members of the Board and Executive Team

69 Member delegates

Guests and Ambassadors

The meeting commenced at 10.30 on Saturday 30th June 2018.

The Chairman formally opened the AGM and welcomed members. The Chairman introduced: Margaret Hart, Vice Chair; Ian Maginnis, Treasurer; and, James Blake, Chief Executive.

In addition, the Chairman welcomed YHA Ambassadors, Michael Dower CBE, Alan Hinkes OBE, and Alex Staniforth. Alex would address the AGM during the afternoon session.

The Chairman introduced colleagues David Calder and Margo Paterson from Hostelling Scotland and stressed the benefits of the collaborative relationship between the two organisations.

The Chairman invited Trustees to stand up and make themselves known to delegates. The Chairman encouraged delegates to chat to Trustees during the day.

1. **Apologies for Absence**

The following apologies for absence had been received:

Sarah Outen – YHA Ambassador	Hannah Wilce
John Mann MP	Juanisa Sumanti
David Owens – CEO An Óige	Rosemary Baines
Dermot O’Lynn – CEO HINI	Amelie Kirchgaesser
Jaqueline Hill – Chair HINI	Gavin Lindsay
Darragh Miller – Chair An Óige	Andrew Knowles
Chris Darmon – EX YHA Chair	Mohammed Dhalech
Diane Nightingale MBE	John Gardner
Nancy Buchanan	Louise Campbell
Helen Race	Adan Redshaw
Judith Bramall	Tony Sinden
Louise Lester	Phil Bale
Matthew Webber	Robert Holden
Christine Muller	Frances Plummer
Andrew Quintana Segala	Adam Redshaw
James Atkinson	

2. **Admission of Members of the Company**

Those entitled to membership of the Company as defined in the Articles of Association and who had signified their acceptance were duly admitted to membership of the Company. 69 members were present. Nine proxy votes had been received.

2a. **Appointment of Scrutineers**

The Executive Team were appointed as Scrutineers, led by William Howarth – Director of Finance and IT.

3. **Ordinary Resolution 1 - Minutes of the AGM held in London on 8th July 2017**

The minutes from the AGM held in London on 8th July 2017 were approved as a true and accurate record of proceedings and were signed by the Chairman.

4. **Matters Arising**

There were no matters arising.

5. **Chairman's welcome address**

The Chairman was delighted to preside over proceedings at the AGM. He noted that along with the formal requirements of the AGM the Treasurer would present the 2017/18 Financial results; the CEO would present a review of 2017/18; there would be a Q&A session and Special Interest Forums would be held in the afternoon to allow members to debate a range of topics of interest.

The Chairman welcomed the six Trustee candidates to the AGM. A key role of the AGM is to appoint new Trustees to the Board and there would be further opportunities ahead of the Trustee election later in the day to view the Trustee candidate videos.

The Chairman's tone for the AGM was one of continued success. 2017/18 was another record year in terms of financial performance. There had been a smooth transition to the new CEO and action had been taken to increase focus on YHA's charitable impact.

The proposal to modernise YHA's governance structure continued the work undertaken over recent years to modernise the governance of YHA in line with charity law and best practice. The key proposed changes were to extend voting rights to the wider membership through online voting.

The Chairman reminded the Company members that a simple majority was required to pass an Ordinary Resolution and a 75% majority vote in favour was required to pass a Special Resolution.

The Chairman commented that the greatest asset of the YHA was the people. This was exemplified by their professionalism and the "can do attitude" which existed throughout the organisation.

6. **Financial Results 2017/18**

The Treasurer presented the Financial Results 2017/18. He reiterated the Chairman's comments regarding the high calibre of the people at YHA.

Key messages from the presentation were:

- Financial performance in 2017/18 had been excellent. Record hostel revenue was close to £50 million and costs had been controlled robustly. The trading margin exceeded 8% and the cash surplus was approximately £4 million.
- The increase in hostel revenue over recent years was a result of an increase in overnight stays with fewer beds. Occupancy had increased from 50 to 59% over the last ten years. Overnight prices had increased over the same period, but the percentage increase was less than inflation.
- Food and beverage sales had increased to £13.6 million but self-catering accommodation remained a key part of the YHA offering.
- Alternative accommodation annual revenue was £1 million. This was a positive growth area and it was noted that YHA did not generate any income from alternative accommodation in 2013.
- The Statutory Accounts for the year ended 28th February 2018 demonstrated strong financial performance. Net income had increased by £2.5 million and net assets had increased by £3.4 million following an actuarial gain on the pension scheme.
- £102 million had been spent on hostels over the previous 10 years to support the Board's initiative "to be proud of every hostel". This had been funded without significant additional borrowing. Recent investments included YHA Swanage, YHA The Sill, YHA Bath, YHA Perranporth, YHA Jordans, and YHA Howarth. The Annexe at YHA Bath was expected to be completed in the Autumn.
- Major investments currently planned were YHA Street, YHA Helvellyn, YHA Truleigh Hill, YHA Holmbury, YHA Llanberis and YHA Coniston Coppermines.
- The proposed development of YHA London Stratford was still ongoing. It was anticipated that the purchase of the land would complete later in 2018.
- The severe weather at the start of 2018 had negatively impacted on trading results but performance had improved in May.
- The Performance and Audit Committee was very active last year, reviewing plans and budgets and looking at YHA's overall risk management processes. The Committee will continue to maintain close oversight including monitoring the Stratford project to completion.

7. **Review of 2017/18 from the CEO, James Blake**

The CEO presented the review of 2017/18 which focussed on: (i) highlights from the year, (ii) reflections on his first year as CEO; and, (iii) YHA into the future.

Key messages from the presentation were:

- YHA was in a strong financial and operational position. This enabled standards to be maintained in hostels through in-year investment and supported the objective to increase the charitable focus.
- Guest satisfaction year on year continued to rise. The Board had set a 90% target (9 out of 10) for guest satisfaction survey scores as a benchmark for a 'hostel we can be proud of'. The objective was to see this at every hostel. The average was over 91% and the current highest scoring hostel was YHA Tintagel at 97%.
- The target to reach over 1 million young people had been exceeded and YHA had reached out to over 1.5 million young people. Over 425,000 young people stayed with YHA during the year and 8,000 people had free stays through the Breaks4Kids bursary scheme. The Board had agreed to expand the scope of that fund which meant that as well as supporting individual young people with challenging lives YHA could offer breaks to disadvantaged families, and schools who otherwise would not be able to afford a trip away. The CEO paid tribute to Lindsey

Porter, whose idea it was to create this fund 24 years ago, which has made such an important impact on the work in YHA.

- YHA's impact had been strengthened by working in partnership with hundreds of different organisations. For example, partnership with the National Parks was important to YHA, and had contributed to delivery of a new hostel at YHA The Sill and the refurbishment of YHA New Forest. YHA had also signed an agreement with Leeds Beckett University to help deliver and measure the impact of activities in YHA hostels, and nearly 5000 of their freshers attended bonding weeks at hostels.
- Turning to the future of the YHA, James portrayed a story of his own experiences of YHA which included: as a young person spending his first independent night away from home at YHA Patterdale; a group leader; family member; and, as a trustee. He also provided an update on his time in the hostel network over the first eleven months of his tenure.
- YHA was in the best place for a generation and the strong financial base enabled YHA to sharpen its charitable focus.
- James described the huge opportunity for YHA to develop its confidence and profile as a leading national charity. YHA was the ninth biggest national charity by membership but in one survey over 40% of our members didn't even know that YHA was a charity.
- The YHA charitable object had served us well for nearly 90 years. However, the object was broad which meant it was both a strength and a weakness. YHA found it difficult to prioritise and be clear with members and partners what we really focus on. The current opportunities were:
 1. **Sharpen the Charitable Focus** - During the year, the Executive have worked with the Board to sharpen YHA's charitable focus. The areas of focus would be physical and mental health and wellbeing and life skills. The target would continue to be all, but especially young people, with challenging lives.
 2. **Developing YHA's future growth strategy** - The second area of focus was developing YHA's future growth strategy, both in terms of revenue and impact. In future, the aim is to maintain the high standards as part of YHA's ongoing trading; freeing up capital to invest in those areas that help grow the organisation and YHA's impact. This would include new hostel projects such as YHA London Stratford, but also new products such as Alternative Accommodation. In addition, it was essential to invest in the digital offering to support a modern youth oriented organisation.
 3. **A single engagement framework** - The objective was to increase engagement with everyone involved in YHA.
- James acknowledged that the greatest asset of YHA was the people, including the passion and commitment of people who work or volunteer for YHA. In particular, he paid tribute to Joe Lynch (former Commercial Director), who recently left YHA after nearly 6 years with YHA, and who had played such an important part of YHA's financial transformation.
- Despite the positive progress, there had been a number of challenges during the year including: the severe weather in early 2018; scrutiny of the charity sector and new regulatory burdens that come with it; and, terrorism attacks that affected confidence in our groups market, especially in London.
- James concluded his presentation by showing a video of a group of young carers who had stayed in YHA Perranporth which illustrated the huge and exciting potential of YHA in the future.

8. **Questions and Answers**

The Vice Chair co-ordinated the question and answer session. Written questions that had been received would be addressed along with questions from delegates.

The following questions and answers were addressed:

- A written question was raised on the vision of YHA and as 2020 was not far away, how does the Board anticipate that the vision will evolve and the network capacity change in the next decade?

In response, the CEO referred delegates to his presentation that helped to clarify the vision. It was hoped that network capacity would be expanded over the next decade. Opportunities were always being considered and YHA London Stratford would expand capacity by 10%. The growth of alternative accommodation also helped to increase capacity at low cost, because existing capacity within YHA sites is more fully utilised.

- A question was asked on what was happening at YHA London Stratford and why was the development significantly delayed?

The Property Director informed delegates that the assembly of the land had taken longer than planned. The site occupied a prime position adjacent to Stratford station and the Olympic Park and there were many external factors which were outside of YHA's control. Positively, nearly all of the outstanding items to conclude the acquisition of the land were complete. The site was surrounded by a YHA branded hoarding and the final site investigations were expected to commence in the following week. The Treasurer added that the projected return on the investment in YHA London Stratford was considerably better than the remainder of the network and the Performance and Audit Committee monitors the project closely.

- A question was asked about how group booking occupancy is measured and whether all beds were considered to be occupied or whether occupancy was calculated based on the number of individual beds occupied?

The Director of Finance and IT informed the delegates that all beds were considered to be occupied during an exclusive hire booking. The CEO commented that the current focus was to increase utilisation of hostels in the off season, through increasing the volume of school/group bookings.

- A question was raised about how YHA could utilise partnerships to increase growth?

The CEO agreed that YHA should investigate opportunities for corporate and partnership funding, and that work was already underway to develop and expand this area

- A question was raised about the decision at the start of the year to withdraw the offer of insurance for affiliate groups and the lack of advice on how affiliate groups could obtain insurance in the future.

The Director of Finance and IT informed delegates that the decision to move away from affiliate groups was based on developing a clearer and simpler membership offer for all. The communications sent to affiliate groups explained that insurance can be obtained direct from the insurer. There would be opportunities to discuss further in the afternoon workshop.

- A question was raised about whether hostel facilities are reviewed and adapted to accommodate alternative accommodation?

The Operations and People Director informed the delegates that hostel facilities were planned well ahead to accommodate alternative accommodation. Social space in some hostels occasionally could be negatively impacted during periods of inclement weather.

- A question of concern was raised about why the refund process was so chaotic?

The Director of Finance and IT informed delegates that systems changes were ongoing to improve the process. The objective was to make a simple form available on the intranet in the next 12 months to request a refund.

- A question was raised about the criteria used for refurbishment and renovation of hostels?

The Property Director informed delegates that a number of factors were considered including: financial performance; quality tests; charitable impact such as where young people are going to stay; and, sustainability.

- A question was raised regarding whether there was an opportunity for YHA to increase the communication and publicity around the good work that YHA does in the countryside?

The CEO informed delegates that YHA was working with the National Parks and other peers to consider how inspiring opportunities could be made available to young people in the countryside. The CEO thanked Rowland Pittard for his support in the public policy debate in Wales

- A question of concern was raised about the letters sent out confirming bookings and whether the pre-stay information could be improved to ensure that the information was helpful and relevant to the hostel?

The Operations and People Director informed the delegates that a project had already commenced to enhance the pre-stay communications.

The Vice Chair closed the session by thanking delegates for their questions and encouraged the dialogue to continue over lunch and the workshop sessions.

9. **Trustees Annual report and Financial Statements**

The Annual Report and financial statements were received by members.

10. **Ordinary Resolution 2 – to reappoint Grant Thornton UK LLP as Auditors of the Company**

It was unanimously approved that Grant Thornton UK LLP be reappointed auditors to the Company for the coming year.

11. **Council Nominations Panel Report**

Trevor Cornfoot, Chairman of the Council Nominations Panel (CNP), provided an update on the CNP process. He thanked the members of the CNP and YHA staff for their support, noting that the CNP is a panel of the AGM and is independent of the Board of Trustees.

The Board had advised CNP of the skills they were seeking in Trustees in 2018, which were:

- strategic level finance
- property development and management
- fundraising / lobbying
- human resources / organisational development
- member / volunteer engagement
- digital / web expertise

CNP had identified candidates with those skills from 19 applications and six candidates were presented for election to three vacancies. One Trustee who had come to the end of her first term of office was put forward for election and the one Trustee was not standing for re-election due to a career development opportunity which would require him and his family to move to the United States.

Trevor Cornfoot reminded delegates that the current Standing Orders for All YHA General Meetings permitted members to stand for election as a Trustee without going through the CNP selection process, and one candidate had chosen to use that route this year. He commented that the two recruitment routes were not optimal for YHA and he endorsed the proposed changes to remove the option for members to stand as a Trustee without going through the CNP process.

Trevor Cornfoot was standing down as CNP Chair as it was the end of his final Term. He had enjoyed the role enormously and thanked former and current CNP colleagues, all former Board members, and YHA's Executive for their support. In particular, he thanked the former Chairman, Chris Darmon, for giving him such a great opportunity to contribute to this very special organisation.

12. **Ordinary Resolution 3 – Election of an independent chair of the Council Nominations Panel Chair**

Paula Yates had been nominated to be elected as the Council Nomination Panel (CNP) Chair by the CNP.

On a show of hands Paula was unanimously elected to the CNP Chair.

13. **Ordinary Resolution 4 – Election of an Association Member to the Council Nominations Panel**

Helen Maurice-Jones had been nominated by member Rita Pearson and Paul Wright had been nominated by member Alan Bourne to be elected as an Association Member of the Council Nomination Panel.

A ballot was held and the candidate receiving the highest number of votes would be elected as the Council Nomination Panel Association member.

14. **Ordinary Resolution 5 - Election of Trustees**

A ballot was held and the three candidates receiving the highest number of votes would be elected as Trustees.

15. **Special resolution – Changes to the Articles of Association and General Meeting Standing Orders**

The Chairman presented the rationale to the proposed changes to the Articles of Association. He also expressed his gratitude to Alan Bourne, Sukanya Ransford and James Sinclair-Taylor for guidance in developing the proposed changes and the supporting documentation.

The prime reason for the proposed changes was to continue the work over recent years to modernise the governance of YHA in line with charity law and best practice. The key objectives and proposals were:

- Extension of voting rights for the:-
 - Election of trustees
 - Election of (C)NP Chair and non-Board members
 - Motions
- Wider engagement of YHA members:-
 - Extension of vote

- Attractive scheme for widening of Company Membership
- Modernised AGM unburdened by formality
- AGM attendance was declining and was an inadequate representation of 165,000 members
- The need for more attractive and modern forms of democratic participation
- Further step in the process of modernisation and best practice
- Successful experiments such as Facebook Live show potential demand for online engagement
- Re-naming of Council Nomination Panel to Nomination Panel
- Removal of option for trustee candidates to stand outside of the Nomination Panel Process
- AGM quorum moved to 50 (from calculated %)
- Removal of provision for amendment to motions
- Confirmation of National Officers as Trustees
- Limitation of Board rights to fill casual vacancies between elections

Comments and Questions were invited from members on the Special Resolution:

Michael Dower, Ambassador and member delegate expressed his concern that extending voting to the whole membership would result in a two level electorate as Association Members would not have sufficient information to make an effective vote. This may also have a negative impact on the number of people attending the AGM. He was also of the opinion that it was unfair to compare YHA and National Trust governance as in his opinion most members only join the YHA for transactional purposes and it was important to develop a wider mission that attracted members to join the YHA.

In response, the Chairman commented that YHA needs to continue to engage with members but he did not agree that most members joined YHA for transactional purposes. He also commented that all Association Members would be able to access information electronically in advance of the voting process and in his opinion this would not result in a two tier election system.

Philip Bacon, member delegate, commented that consideration should be given to increasing discounts for members as a means of increasing the number of YHA members.

Graham Turnock, Trustee, commented that YHA currently put hurdles in place that prevented members from voting the AGM. The new proposal was considered a sensible approach to extending voting rights to the wider membership.

David Calder, Chairman of Hostelling Scotland thanked the Chairman for the invitation to the meeting. He informed the delegates that Hostelling Scotland had approved similar governance changes in 2013 which had resulted in an increase in member engagement and the number of members voting at the AGM. De-cluttering of the AGM had also resulted in more time for member engagement and conversation between members.

James Sinclair-Taylor, YHA legal adviser, confirmed that all the proposed changes were compliant with the Companies Act 2006 and there was no regulated activity that required Charity Commission prior approval.

Stuart Edinburgh, member delegate, expressed concern about the proposal to remove the option for Trustee candidates to stand independently without going through the CNP process. The option to stand independently was crucial as a "safety valve" should there be insufficient or unsuitable candidates put forward by the CNP.

Carina Williams, member delegate, supported the proposed changes and commented that with due respect and having looked around the room she appeared to be the only young person that had registered to attend the AGM. It was important to make changes to the AGM and to engage with young people as they would not want to give up a Saturday in the middle of Summer to attend the AGM.

Paula Yates, member delegate, endorsed the proposed changes and supported the activity to increase member engagement.

Peter Jolly, member delegate, fully supported the expansion of member engagement but did not support the proposed governance changes.

Helen Maurice-Jones, member delegate, commented that the option to stand as a trustee candidate without being put forward by the CNP was adopted when the Regional Councils were disbanded. It was now time for further change and she supported the proposed changes.

Members were invited to cast their votes in respect of the Special Resolution. The resolution was passed with 52 votes for, 17 against and 6 abstentions.

16. **Guest Speaker – Alex Staniforth – Adventurer and YHA Ambassador**

The Chairman was delighted to introduce Alex Staniforth to the AGM. Alex is a young adventurer, inspirational speaker, fundraiser, author and YHA's Ambassador. YHA are proud to have Alex as an Ambassador and he is a strong advocate of YHA.

Alex shared the experience of his attempts to climb Mount Everest and his more recent fundraising challenge to climb to the highest point of every UK County. He talked about how these experiences had helped him overcome his personal challenges and how "failure has provided an opportunity to win". He also provided an update on ongoing initiatives he was working on with YHA including helping young people with their mental health challenges.

17. **Results of the election of an Association Member to the Council Nominations Panel and the Trustee Elections**

(i) **Association Member to the Council Nominations Panel**

Following the ballot, Helen Maurice-Jones was elected as an Association Member of the Council Nomination Panel.

(ii) **Trustee Elections**

Following the ballot the following were elected as Trustees:

- Hannah Paterson (four year term)
- Josie Murray (four year term)
- Simon Reeve (four year term)

The Chairman congratulated the three Trustees on their appointment and thanked all candidates for their interest in the role and encouraged them to stay in touch with YHA.

The Chairman expressed thanks on behalf of the Board to Paul Wright and Vishaal Virani who had both made a huge contribution to the Board during their terms of office.

18. **Special Interest Forums**

Delegates attended one Special Interest Forum of their choice from the following:

- Charitable Impact and Focus
- The New Engagement Framework
- Investments In Our Network

19. **Summary of the Day – Chairman**

The Chairman thanked members for their input to the AGM and for the good debate throughout the meeting that was conducted in a respectful way. He also thanked the YHA team, volunteers and the venue for producing a well organised AGM.

The AGM presentations would be available on the YHA website together with a summary of items discussed during the Special Interest Forums in due course.

The Chairman reflected on a very positive day and commented that YHA was in an extremely good place with a talented team and a good succession plan.

The Chairman paid tribute to the significant contribution made by Trevor Cornfoot to the YHA who was stepping down as Chair of the CNP as he had come to the end of his final term of office.

20. **Close**

The Chairman announced that the 2019 AGM would take place on Saturday 29th June and the venue would be confirmed at a later date.

The meeting closed at 4.30pm.