



**MINUTES OF THE ANNUAL GENERAL MEETING  
HELD AT GLASGOW YOUTH HOSTEL ON  
SATURDAY 15<sup>TH</sup> JUNE 2019**

**MINUTE NOS: 256 – 269**

**PRESENT:**

***8 Invited Guests***

Maria Shanahan	An Oige
Peter Gaines and James Blake	YHA (England and Wales)
Dermot O'Lynn	HI Northern Ireland
Representatives from Woodburn Early Learning and Childcare Centre	

***22 Hostelling Members***

***8 Honorary Members***

***11 Members of the Board***

David Calder, Chair	Martin Ambrose, Vice-Chair	Sally Mayer, Vice-Chair
Michael Anderson	Duncan Craig	Claire McCorquodale
Paul Randall	William Thomson	Mike West
Sophie Bell	Jo Smith	

***2 Professional Advisers***

Kenneth Gray and Scott Geekie	Lindsays WS
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***10 Employees***

Chief Executive and Management Team

**256. WELCOME AND ANNOUNCEMENTS**

The Chair welcomed guests, members and employees to the 2019 Annual General Meeting and in particular mentioned invited guests, Maria Shanahan representing An Oige, Peter Gaines and James Blake, representing YHA (England & Wales), professional advisers Kenneth Gray and Scott Geekie from Lindsays and newly appointed trustee Sophie Bell who joined the Board in October 2018. He also noted that Dermot O'Lynn, CEO from HI Northern Ireland would join later in the programme along with leaders from Woodburn Nursery relating to their Mini Explorers trip.

**257. APPOINTMENT OF TELLERS**

The Director of Operations and Finance Manager were appointed as tellers.

**258. APOLOGIES**

Apologies had been received from 150 members.

**259. BOARD OF TRUSTEES AND DIRECTORS**

The Vice-Chair and Convenor of the Governance Committee noted the appointment of Sophie Bell as a new trustee.

The Governance Committee had comprised of Sally Mayer (Convenor), 2 Board members: William Thomson and Claire McCorquodale and 2 member representatives: Jane Overton and Michael Spencer.

The Committee considered the skills mix on the Board and embarked upon a recruitment campaign in October and November 2018, advertising on social media and by direct communication to members. There were 3 places available on the Board, with 59 enquiries received converting to 12 applications and 9 nominees being interviewed and put forward to stand for election.

It was noted that as Sally Mayer was standing for election she did not take part in the interview process and instead the remaining committee members and David Calder as Chair carried out the interviews. Paul Randall, Martin Ambrose and Sally Mayer were all re-elected to the Board.

It was highlighted that there had been more votes cast than in previous years and the Vice-Chair advised that planning had already commenced for the next Board recruitment campaign. The aim is to reach a bigger audience to attract a wider breadth of experience and skills mix. The Vice-Chair encouraged members to keep a watch on the website and newsletter for further information on the annual call for Board nominations.

Sophie Bell gave a brief overview of her journey to joining the Board which started 18 months beforehand in her participation with the Charity Board Initiative which gave training in areas such as finance and legal responsibilities. She was mentored by the CEO on governance and strategy matters and then was interviewed by Sally Mayer before attending the October Board meeting where she was co-opted.

The Vice-Chair thanked everyone who helped on the Governance Committee and in particular Mike Spencer and Jane Overton. It was noted that Claire McCorquodale will take over as Vice-Chair and Convenor following the AGM.

**260. M.685 MINUTES OF 2018 ANNUAL GENERAL MEETING**

The Minutes from the 2018 Annual General Meeting held in Edinburgh Central Youth Hostel on 16<sup>th</sup> June 2018 were considered.

Michael Anderson proposed the acceptance of the Minutes as a true recording of the meeting, with Mike West as seconder.

**261. BUSINESS ARISING**

None.

**262. ANNUAL REPORT OVERVIEW**

The Chair introduced the Annual Report, hoping that members had found the 2018/19 overview of activities informative.

In particular the Chair wanted to focus on 3 topics that the Board had been working on.

1) Engagement with Young People.

The period from 2013-2018 was centred upon achieving financial sustainability and we were now in a position to look at how we can deliver our mission of helping young people to experience our wonderful country. Partnerships in place particularly with the Scotspirit Programme working with disadvantaged families and also Respite which offers breaks to young carers were highlighted.

In 2018 we created The Explorer Fund designed to give disadvantaged young people a valuable break away from home. The fund supports groups to plan and deliver high quality "Brilliant Residential" experiences with the groups coming from across Scotland and with varied support needs. We have also created the Mini-Explorers initiative for younger children and it was noted that there would be a presentation by Woodburn Early Learning and Childcare Centre leaders on this later in the proceedings.

Young people had been a key part of the re-opening of Glen Nevis Youth Hostel, with Alex Staniforth officially opening the refurbished hostel. Alex is one of YHA's Young Ambassadors and writes, talks and blogs about the positive impact of outdoor activity on mental health. As part of the re-opening celebrations, Glen Fest has been conceived in collaboration with Highlife Highland and over 50 young people from the Lochaber area visited the hostel for a weekend of activities and entertainment.

2) Membership Engagement

Although we are a membership organisation the membership numbers are dropping therefore this needs to be addressed. We need to establish member expectations and what can be provided. A Membership Review group which will be led by Michael Anderson and will involve other Trustees and members of the Hostelling Scotland management team will be set up this year. The terms of reference are to review the current membership model and explore alternative options with the aim to encourage a strong sense of engagement by all

categories of membership and enable and enhance Hostelling Scotland's ability to communicate and deliver its mission. It was also noted that there was a requirement to develop the membership offer and sustain current levels of membership income and implement strategies to attract new members to be part of the organisation.

### 3) Governance

There had been significant changes in this area since 2013. The Board has performed well and there is a good skills mix although it is never possible to have all the skills necessary. There is also strong passion and commitment in every Trustee to deliver the ethos of Hostelling Scotland. Board performance is regularly reviewed which is in line with good governance practice with any required improvements implemented. As part of the succession planning the Board is looking at those Trustees who are nearing their terms limit in the next couple of years and considering how we can attract suitable candidates with appropriate skills for election.

The Chair Designate is Sally Mayer and she has agreed to take over as Chair with the endorsement of the other Trustees. Sally has been a Trustee for several years now and brings to the Board extensive experience of corporate governance in the Finance industry along with a collaborative and very pragmatic approach to problem solving.

The Chair concluded by reporting that in other governance news it has been a busy year for international collaboration and meetings. We hosted the European Regional Conference in Brussels and then attended the biennial Hostelling International conference in Reykavik.

## **263. OPERATIONAL & FINANCIAL REPORT 2018-19**

The CEO & Management Team presented the Operational Overview for 2018-19 and noted that it had been a busy year operationally with 252 employees working in the hostels and at Head Office. Highlights included rebranding, new website and the opening of Glen Nevis following a £2.2M refurbishment.

It had been a challenging year with the increase in Airbnb and competition in general, particularly in the cities. Revenue was down not only due to the increase in competition but also as a result of the late re-opening of Glen Nevis.

2018-19 was the first year of the new growth strategy which will focus on modernising a product to meet expectations and introduce technology that will improve on processes. We will also look to expand our market reach to attract new customers and build a working environment of engaged and motivated people as well as improving on our communication with members and continuing our Youth Engagement initiatives.

**Successes in the year included:**

- Improving overall guest satisfaction to 91%
- 71% of our bookings continued to be generated by our own sources
- 95% of guests who completed a review through Hostelling Scotland said that they would return
- Focus on revenue management to be better able to compete and, in particular, a focus on group sales to mitigate against the reduction in individual travel.
- Increase in group business led to an increase in catering revenue
- Further PR success in the year including brand launch and radio interview on Good Morning Scotland and a feature for the Glasgow Herald showcasing the modernisation of Hostelling Scotland
- Glen Nevis was an immediate success which continues to this day and operated at 92% occupancy in its first month of opening
- We continued to have a strong group of volunteers to whom we are extremely grateful for their contribution
- Increase in governance applications
- Participation in the Santander programme with Sophie Bell co-opted to the Board of Trustees as a result
- Attendance at career fairs in Glasgow and Edinburgh to encourage more young people to come and work for us

**The challenges during the year had included:**

- Competition; nothing new but more acute in city locations such as Edinburgh, Glasgow and Inverness with particular concern about Aberdeen
- Prolonged and ongoing uncertainty surrounding the impact of Brexit which has continued into 2019 and we have concerns over direct supplies and resources (people) moving forward
- Not having Glen Nevis available to book early in year impacted on the network results compared to prior year
- Impact of another large national living wage increase (4.8%) – it was noted that the member price for some bed spaces in winter is under £15 and the national living wage hourly rate is £8.21 per hour before any other utility or direct costs
- Decreasing membership with only an increase of 1% on life membership
- The “Beast from the East” which resulted in loss of business as people could not come to work or stay in the Hostels. Nevertheless, we did manage to keep the network open
- Employment and in particular the retention of employees and accommodation provision
- Having had an excellent 2017-18, we found it a struggle to continue the growth in operational revenue in 2018-19 with this having fallen short on budget by £547K which in turn resulted in a shortfall in surplus of £450k.

**Challenges moving forward:**

- Rising guest expectations which links into our facility modernisation programme
- New operators moving into city locations driving their prices down to match ours
- Rising costs and in particular employment costs (as previously noted)
- Introduction of a Scottish Tourism Tax
- Current systems – we are looking to review our reservation and guest communication systems.

**Financial Headlines:**

Key financial headlines included:

- Operational surplus of £1.2M generated
- The closure of Glen Nevis from February to June 2018 impacted our year on year comparisons on overnights, occupancy and hostel income
- Overnights in the year were 356,428 which was 6% down on the previous year – this impacted occupancy which was 63% overall for the network
- Total income was down £320K, of which
  - there was £129K reduction in legacies in the year
  - income from operating youth hostels fell by £154K which was impacted by the closure of Glen Nevis for part of the year. On a positive note, catering income exceeded £1M being £60K up on prior year
- Total expenditure increased by £432K.
  - which reflected increases in payroll costs including the 1% auto enrolment costs, maintenance costs and increase in utility costs
  - within this there was a depreciation charge in the year relating to the works at Glen Nevis
  - expenditure itself was well controlled and ended 1% below budget
- After providing for depreciation, the net income retained for future investment is £588K which contributes towards fulfilling our future strategic plans
- £2.8M spent in the year between maintenance and capital expenditure to improve and upgrade our Hostels (including Glen Nevis)
- Looking at the current year's budget (2019-20) we anticipate income to increase by 1.3% to £8.8M and after continuing to invest in developing our people, our properties, infrastructure and Volunteer and Youth Programmes, we aim to achieve a surplus of £1.2M

**Showcase of Youth and Volunteer Programmes:**

The key objectives and activities during 2018-19 for youth programme delivery, social tourism and volunteering were discussed. The volunteer programmes allowed young people the opportunity for work experience and to meet new people whilst exploring

Scotland. There were various new volunteering opportunities developed in the year including Braw Buildings where young people were able to input into the design and assessment of the project and also Glen Fest where young volunteers were involved in designing and leading the Glen Fest residential for young people in the Highlands held in the newly refurbished Glen Nevis Youth Hostel. There was also the Hostel Takeover project in partnership with New College Lanarkshire where 6 HNC and HND students were able to gain experience at Glasgow Youth Hostel and “takeover” some of the key areas including housekeeping, reception duties and shadowing the Duty Managers.

We also created the Explorer Fund in the year and had young people from Royston Youth Action volunteer to help assess the Explorer Fund and college students from Edinburgh College were supported to develop a film about the fund. The fund targets disadvantaged young people and we had 2 rounds of funding which proved to be extremely popular.

**264. KEY OBJECTIVES FOR 2019-2020**

The CEO outlined the key objectives for 2019-2020 as detailed in the Annual Report. Objectives fell within each of the new 2018-2020 Strategic Aims, namely: 1) Delivering Excellence 2) Developing our People 3) Enhancing our properties 4) Innovating new systems 5) Working with young people 6) Engaging membership and 7) Securing the future.

**265. ANY OTHER COMPETENT BUSINESS**

The Chair observed that in a difficult year we still achieved an operational surplus of £1.2M which demonstrated how much hard work had been done during the year to make this happen. It was noted that we also had great success with PR and media during the year and the radio interview with the CEO on Radio Scotland was particularly well received.

There was a question raised about the funding for Youth Programmes and the possibility of perhaps agreeing funding for the next 3 years. The CEO explained that this is the plan of the current strategy, however, there was a need to secure funding from other sources. This year we had £30K set aside from membership fees and to date had secured a further £20K from private funding.

There was also an issue raised about nominees being disappointed when they are not elected and if there is anything we can do to involve them in the organisation. Sally Mayer stated that we are looking into this as we do have a high number of quality candidates and the desire is to keep them engaged and to harness this in future.

**266. NEWS FROM HOSTELLING INTERNATIONAL NORTHERN IRELAND**

Dermot O’Lynn, CEO of HINI shared news on the new strategy which incorporated the new vision and mission. There was also an update on the Youth Programmes during the year involving 34 Girl Guides over 3 camps and the Good Neighbours initiative with 50 young people from 2 associations over 2 camps. They also had the Provident funded GATHER project in 2018

which had 28 groups and 500 beneficiaries taking part in activities such as sport, art and drama. These participants were all affected by deprivation.

Peter Gaines brought greetings from YHA (E&W) and reported that although 2017-18 had been a record year, 2018-19 proved to be much tougher with declines in the city Hostels particularly in London.

**267. MINI EXPLORERS PILOT IN 2018-19**

The pilot involved Woodburn Early Learning and Childcare Centre in Falkirk and 4 of the leaders gave a presentation on the trip to Rowardennan with the 5 families who had received the funding. The children took part in activities including a mini hike with a Forestry Commission guide and also a water boat tour. They also enjoyed canvas painting and some family time before a camp fire at night. The leaders highlighted the positive impact the trip had on all of the families and were keen to take part in a further trip.

**268. DATE OF NEXT MEETING**

The date of the next AGM would be Saturday 13<sup>th</sup> June 2020 and will be held at Edinburgh Central Youth Hostel at 9.30am. **Please note this date has now been changed as a result of COVID-19 to 5<sup>th</sup> September 2020 and will be held by proxy.**

**269. CLOSING REMARKS**

The Chairman gave special thanks to Dermot O'Lynn (HINI), Maria Shanahan (An Oige) and the leaders from Woodburn Early Learning and Childcare Centre along with James Blake and Peter Gaines from YHA (England and Wales). He expressed his thanks to the team at Glasgow Youth Hostel for hosting the meeting, the management team who had presented the many and varied projects that are happening now and planned for the future. The Chair also thanked the Board members and individual members for their continued support. There was also thanks and a presentation to Jane Overton and Mike Spencer for their work in the Governance Committee.

James Blake from YHA (E&W) thanked the Chair for his invitation and noted that his retirement from the Board of Trustees. He congratulated Sally Mayer on her new role as Chair and David Calder for his significant contribution over the last 10 years as Chair and noted the friendship and co-operation between our organisations.

Sally Mayer proposed a vote of thanks to the Chair for his contribution throughout the last 10 years and prior to that when he had served on the Council. It was noted that he had been a major contributor to the 2013-18 strategy and as a result we are now in a position of financial stability. He was awarded honorary life membership.