



# Governance Handbook

Fifth Edition December 2016

# Contents

Introduction.....	3
Governance principles.....	4
How to use this Handbook .....	6
Governance structure of the National Trust .....	7
Section 1 - Leading the Trust.....	8
The Chair and Deputy Chair .....	9
The Board of Trustees .....	13
The Council.....	23
The Senior Member of the Council.....	34
Section 2 - Making governance appointments.....	36
Board of Trustees' appointments processes .....	40
Council nominations processes.....	42
Section 3 - Assisting the Board of Trustees .....	63
The Audit Committee .....	65
Senior Management Remuneration Committee .....	70
Investment Committee .....	72
Section 4 - Involving members of the National Trust.....	74
Section 5 - Miscellaneous provisions .....	86
Other scheme clauses .....	87
Exceptional variations to processes set out in the Governance Handbook.....	92
Appendices.....	94
Appendix A - Code of Conduct for members of the Board of Trustees, the Council and their committees.....	95
Appendix B - Procedures for the running of meetings of the Board of Trustees, the Council and their committees .....	106
Appendix C - Whistle-blowing policy .....	119
Appendix D - Qualities and experience for holders of governance positions .....	120
Appendix E - List of Appointing Bodies (as elected by the Members in 2012) .....	131
Appendix F - How the Board makes decisions.....	133
Appendix G - The National Trust's subsidiary companies .....	136
Appendix H - Disqualification of Trustees from section 178 of the Charities Act 2011 .....	137

Glossary .....	139
Change control and change history .....	143
Changes to the Parliamentary Scheme.....	144
Index .....	145

The Handbook is subject to future revision and readers are invited to check for updates at [www.nationaltrust.org.uk/features/governance-handbook](http://www.nationaltrust.org.uk/features/governance-handbook) or by contacting The Secretary, National Trust, Heelis, Kemble Drive, Swindon, SN2 2NA or [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk).

# Introduction

Welcome to this, the fifth edition of the National Trust Governance Handbook.

The National Trust's governance is described in Acts of Parliament and a Parliamentary Scheme which came into effect in 2005. The Scheme describes the Trust's current governance structure and processes. The Acts set out the powers of the National Trust and can be found at [www.nationaltrust.org.uk/features/our-constitution](http://www.nationaltrust.org.uk/features/our-constitution).

Taking the Scheme as its starting point, the Governance Handbook adds practical guidance on how the Scheme's provisions should be implemented. It provides a single reference point on all governance issues for use by staff, governance volunteers, the Charity Commission, Trust members and all others interested in how the Trust is run. This is the fifth edition of the Governance Handbook and was agreed jointly by the National Trust Council and Board in 2016. From 2016, the size of the National Trust Council will be gradually reduced, over a two year period. The transition arrangements for this reduction are described in Part 5 of the Scheme, which can be found at <https://www.nationaltrust.org.uk/documents/the-charities-national-trust-order-2005.pdf>.

The Director-General is accountable for the day-to-day management of the Trust. Information about the current management structure is available to staff and governance volunteers at: [https://governance.nationaltrust.org.uk/intranet/our\\_cause/structure\\_governance/gov-governance\\_volunteer\\_resources/gov-governance\\_volunteer\\_induction/gov-trust\\_management.htm](https://governance.nationaltrust.org.uk/intranet/our_cause/structure_governance/gov-governance_volunteer_resources/gov-governance_volunteer_induction/gov-trust_management.htm). The Governance Handbook does not describe the governance arrangements for the Trust's subsidiary companies. These are described at [\[HYPERLINK TBC\]](#).

If you have any questions about National Trust governance or any related matter please contact [theseecretary@nationaltrust.org.uk](mailto:theseecretary@nationaltrust.org.uk).

The Secretary

December 2016

# Governance principles

The Board and Council have agreed a number of principles that underpin the practical application and tone of the Trust's governance.

## **The Trustees have overall responsibility for the Trust:**

Charity law and good practice dictate that it should be clear who has ultimate responsibility for running the charity ('the charity trustees' as the law calls them). For the National Trust that is the Board of Trustees. The Council appoints the Trustees and holds them to account – in the sense that the electorate and the media hold governments to account.

## **Our governance should be based on collaboration, not confrontation:**

One of the strengths of the National Trust as a whole is that it is an organisation where people want to work together to achieve a common goal. So we design our governance arrangements so that they are robust enough to deal with situations where there are strong disagreements, but in a way which encourages agreement and working together, not confrontation.

## **We are a charity:**

There are things we can learn from big commercial corporations, but we are not ourselves one. We are proud of our status as a charity, heavily dependent on voluntary effort and altruism. Our governance arrangements should not detract from that and should, of course, reflect the guidance from the Charity Commission as our regulator.

## **Our governance processes should be proportionate to the real need:**

Our processes are there to help us make sound decisions, not to act as a straitjacket. We won't engineer them to guard against situations which are too remote. We don't need or want to have a rule to cover every eventuality, and expect to leave room for the application of common sense and discretion.

## **Our governance should be fit for purpose:**

Governance processes are a means to an end. Our aim is to have good, sound, governance, not to be the leaders in the field.

## **Our governance should reflect the breadth of interests within the National Trust:**

The National Trust has a broad remit and is a vehicle for bringing together a wide coalition of people with varying interests and perspectives. Our governance structures and processes should recognise this breadth of interests, providing a voice for different views whilst pursuing our common purpose.

## **We recognise the importance of our own history:**

We recognise how much our supporters value the sense of permanence and continuity which the National Trust embodies. We must always evolve to meet our

purpose in ways appropriate to the time, but should be wary of losing the links with our past.

## How to use this Handbook

Our governance structures are underpinned by a Parliamentary Scheme made in 2005, with subsequent minor amendments. We have included in this Handbook the clauses of that Scheme to make it easy to see the links between that and the supporting policies and working practices outlined in this Handbook.

Throughout the document Scheme text is presented against a shaded background. Where Scheme text provisions are not directly relevant to the Handbook section against which it appears this is included where it would break up the text if it was removed, but it is shown in italics.

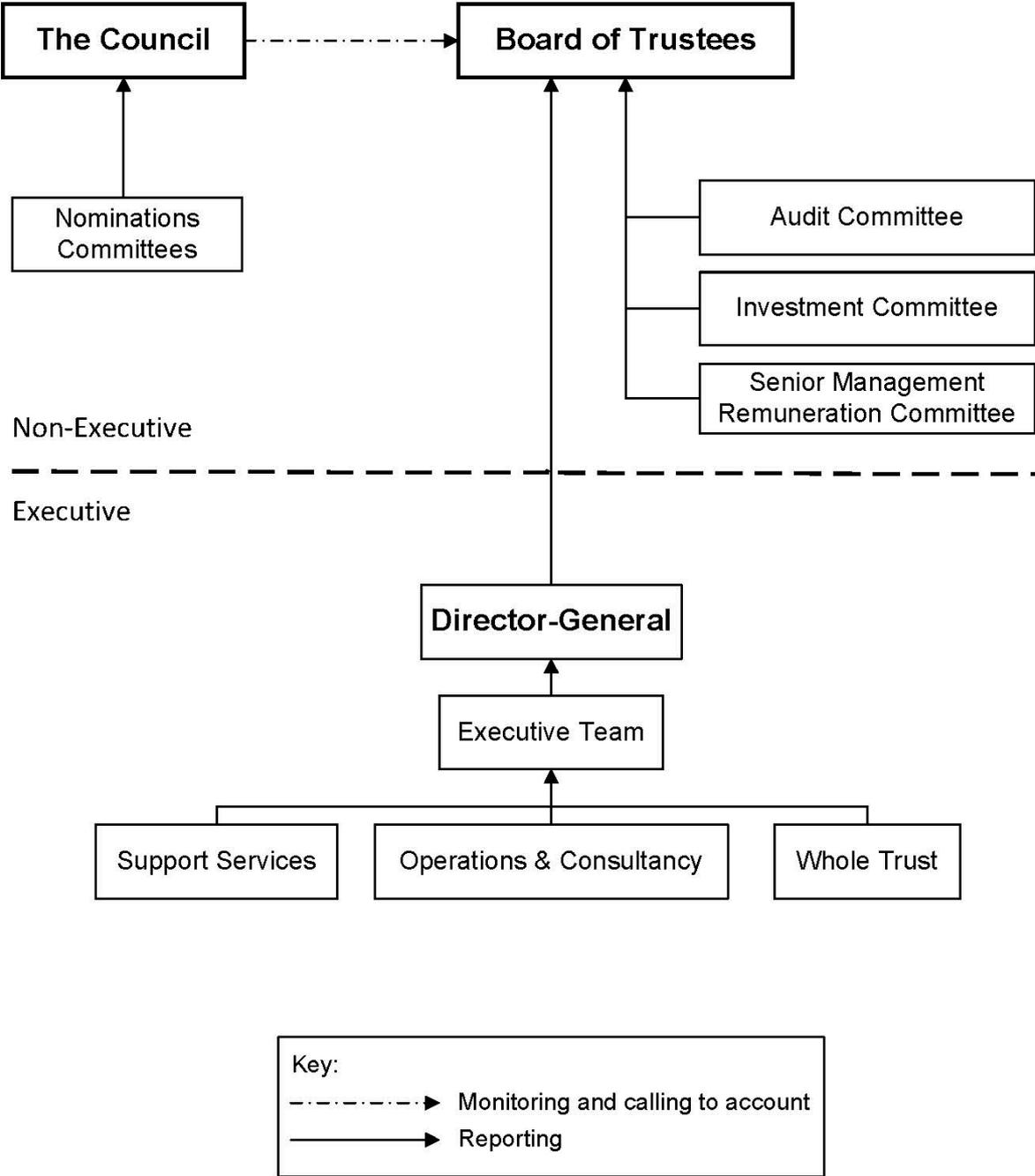
Text that does not appear against a shaded background is Handbook content. This Handbook is available at [www.nationaltrust.org.uk/features/governance-handbook](http://www.nationaltrust.org.uk/features/governance-handbook).

The Parliamentary Scheme was amended by the Board of Trustees on 2 July 2008 and further amended on 21 January 2009, 19 May 2010, 17 November 2010 and 26 March 2016.

A complete copy of the Parliamentary Scheme is available at [www.nationaltrust.org.uk/features/our-constitution](http://www.nationaltrust.org.uk/features/our-constitution) or by writing to The Secretary, The National Trust, Heelis, Kemble Drive, Swindon, SN2 2NA, email [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk).

If you have any comments on the contents of this Handbook or require the Handbook in alternative formats, please contact: The Secretary, The National Trust, Heelis, Kemble Drive, Swindon, SN2 2NA or email [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk).

# Governance structure of the National Trust



# Section 1 - Leading the Trust

# The Chair and Deputy Chair

## 1.1 Role

1.1.1 The Chair and Deputy Chair act as the figureheads of the National Trust, providing leadership of the Charity, maintaining links with key contacts/partners and representing the Trust at functions, meetings and in the media as appropriate.

## 1.2 The Chair

### 1.2.1 Main responsibilities

- chair meetings of the Board of Trustees, the Council and general meetings of the charity
- provide leadership to the Board of Trustees and the Council ensuring they work effectively and fulfil their governance responsibilities
- provide support and advice to the Director-General, helping him or her to implement the policies and strategies agreed by the Board of Trustees whilst respecting executive responsibility
- optimise the relationship between the Board of Trustees and the Council, and the senior staff and volunteers
- ensure effective communication between the members and the Board of Trustees and members of the Council
- represent the Trust at events

### 1.2.2 Main tasks

- chair the AGM
- chair meetings of the Council, agree the agendas for these meetings and ensure that the business is dealt with properly, and that the Council functions effectively and carries out the duties set out in its terms of reference
- chair and run the Board of Trustees; this includes building an effective and complementary team, setting and managing its agenda, and the style and tone of discussion, to promote effective decision-making and constructive debate, and ensuring that sufficient time is allowed for discussion of complex or contentious issues

- be an effective link between the Council and the Board of Trustees by ensuring that the views of each body are properly represented to the other
- ensure a clear structure for, and the effective running of, committees of the Board of Trustees
- take the lead in providing a properly constructed induction programme for the Board of Trustees, and the Council, and in identifying and meeting the development needs of the Board of Trustees as a whole, and the Council as a whole, with a view to enhancing their overall effectiveness, working individually and together
- ensure that processes are in place to periodically review the performance of each governance body

1.2.3 The core qualities and experience required for this position are listed in [Appendix D](#) to the Handbook, and may be modified in particular cases if the Council considers that appropriate.

### **1.3 The Deputy Chair**

#### 1.3.1 Main responsibilities

- support the Chair of the Trust in his or her work, stand in for the Chair should he or she be unavailable and undertake specific assignments at the request of the Chair

#### 1.3.2 Main tasks

- act as Deputy Chair of the Council and the Board of Trustees

1.3.3 The core qualities and experience required for this position are listed in [Appendix D](#) to the Handbook, and may be modified in particular cases if the Council considers that appropriate.

## 1.4 Appointment of the Chair and Deputy Chair

### 26. Requirement to be a member of the National Trust

No person shall be eligible for appointment or election (as the case may be) as Chairman or Deputy Chairman, or as a member of the Board of Trustees, or the Council unless that person is a member of the Charity.

### 22. Appointment of Chairman, Deputy Chairman and Senior Member of Council

- (1) Subject to paragraph (2) below, the members of the Council shall appoint from their number:
  - (a) a chairman (to be known as “the Chairman of the National Trust”);
  - (b) a deputy chairman (to be known as “the Deputy Chairman of the National Trust”); and
  - (c) a person (“the Senior Member of the Council”), who shall not be a member of the Board of Trustees, to exercise the functions conferred on him or her by this scheme.
- (2) The Council may appoint as Chairman a person who is not a member of the Council at the time at which the appointment of that person is made.
- (3) Where a person to whom paragraph (2) above applies is appointed as Chairman:
  - (a) that person shall thereupon become a member of the Council; and
  - (b) the total number of members of the Council accordingly shall, subject to any casual vacancies, be increased by one for as long as that person remains as Chairman and has not been elected to the Council by the members of the Charity, or appointed to the Council by an appointing body.
- (4) The Chairman and Deputy Chairman and the Senior Member of the Council shall hold office for 3 years and shall then retire from office, but shall be eligible for re-appointment.
- (5) The Deputy Chairman may exercise all the functions of the Chairman at any meeting when the Chairman is not present.
- (6) A person who before being appointed as Chairman or Deputy Chairman is not a member of the Board of Trustees shall become a member of the Board of Trustees upon becoming Chairman or Deputy Chairman and shall remain a member of the Board of Trustees for as long as he or she remains Chairman or Deputy Chairman.

1.4.1 The appointment process is conducted with the assistance of a Nominations Committee established under clause 27 (1) (b) of the Parliamentary Scheme.

1.4.2 The Deputy Chair of the Trust must be a member of Council.

## 1.5 Removal of the Chair and Deputy Chair

### 23. Removal of Chairman, Deputy Chairman or Senior Member of Council

- (1) The Council may by resolution remove the Chairman or the Deputy Chairman provided that the resolution is supported by at least 21 members of the Council or at least two-thirds of the members of the Council present at the meeting and eligible to vote, whichever is the greater.
- (2) *The Council may by resolution remove the Senior Member provided that the resolution is supported by at least 14 members of the Council or more than half of the members of the Council present at the meeting and eligible to vote, whichever is the greater.*
- (3) A resolution under paragraphs (1) or (2) above shall not have the effect of removing a Deputy Chairman or Senior Member from the Council.
- (4) A resolution under paragraph (1) above shall only have the effect of removing a Chairman from the Council if he or she was appointed under clause 22(2) and is not currently an elected or appointed member of the Council.

## 1.6 Casual vacancies for the Chair and Deputy Chair

### 24. Chairman, Deputy Chairman and Senior Member of Council. casual vacancies

- (1) On a casual vacancy occurring in the office of Chairman or Deputy Chairman or Senior Member of the Council the Council shall appoint a person to fill the vacancy.
- (2) Clauses 22(2) and (3) shall apply to any person appointed to fill any casual vacancy in the office of Chairman.
- (3) At the time it makes an appointment under paragraph (1) the Council shall decide whether the appointment is to be for a full three year term or for only the remainder of the term of the former Chairman, Deputy Chairman or Senior Member of the Council whose office is to be filled, and the person appointed shall then hold office accordingly.

- 1.6.1 If the Deputy Chair ceases to be a member of Council, he or she will be obliged to resign as Deputy Chair, and a casual vacancy will arise.

# The Board of Trustees

## 3. Board of Trustees

- (1) The members of the Board of Trustees shall be the Trustees of the Charity.
- (2) The Board of Trustees shall exercise all powers conferred on the Charity by the National Trust Acts 1907 to 1971 and this scheme except those which in accordance with any provision of this scheme –
  - (a) are exercisable only by the Charity in general meetings; or
  - (b) are exercisable only by the Council.
- (3) Except as provided by clauses 10(3), 12(3) and 13(2), the members of the Board of Trustees shall exercise their powers jointly, at meetings convened in accordance with this scheme.

## 1.7 Role

1.7.1 The Board of Trustees has ultimate responsibility for what the National Trust does, consistent with section 97 (1) of the Charities Act 1993, which states that charity Trustees are ‘the persons having the general control and management of the administration of a charity.’ This responsibility extends to maintaining appropriate oversight of the Trust’s subsidiary companies, as listed in [Appendix G](#).

1.7.2 The role of the Board of Trustees is to:

- ensure that the Trust has a clear vision and a strategy focused on its achievement
- ensure that the Trust meets its statutory purposes and retains its ethos and values
- ensure that the Trust complies with its legal and regulatory requirements
- act as guardians of the charity’s assets, both tangible and intangible, and ensure the financial stability of the organisation
- agree performance targets for senior management and hold management to account

### 1.7.3 Main responsibilities and tasks

Shape strategy by:

- ensuring that the Trust pursues sound and proper principles, policies and procedures in relation to all areas of its work
- shaping and approving the Trust's strategic plan, identifying priorities and developing a long-term financial strategy to ensure adequate resources
- engaging actively in strategic decision-making and policy decisions to implement the agreed strategy
- keeping under review the long-term development of the Trust in the light of the political, economic and social environment in which it operates
- approving the Trust's annual budget and maintaining a three to five year forward view of the Trust's finances
- approving major expenditure and transactions

Inspire effective leadership by:

- appointing the Director-General and reviewing his or her performance and agreeing other senior appointments
- agreeing and delegating appropriate levels of responsibility and authority to the Chair, Committees of the Board of Trustees, Board members, groups of Board members and the Director-General
- lending their own expertise to the Trust
- providing access to outside experts and others who can help the Trust
- acting as advocates of the Trust
- advising and giving feedback to the Director-General and Executive Team

Monitor performance by:

- ensuring that appropriate risk management and effective internal control systems are in place

- ensuring that the necessary management information systems exist to assess the Trust's performance and progress in meeting its objectives, including the evaluation of operational effectiveness and efficiency, compliance with laws and regulations and the reliability of management and financial information

Ensure accountability by:

- acting in accordance with the Nolan Committee's Seven Principles of Public Life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership
- monitoring actively the performance of the executive management, ensuring clear accountability
- accounting for the Board of Trustees' actions in appropriate ways as required by law and good practice – approving the form and content of the Annual Review to members and the Annual Report and Financial Statements, and making the arrangements for the general meetings of the Trust
- making declarations of inalienability
- proposing changes to the National Trust Acts or Byelaws
- reporting appropriately to the Council and ensuring that the Council has the opportunity to express its views to the Board of Trustees
- reviewing its own performance and effectiveness at regular intervals

## 1.8 Specific powers of the Board of Trustees

### 12. Establishment of committees

- (1) The Board of Trustees may from time to time establish and dissolve committees
- (2) A committee established under this clause:
  - (a) may consist of one or more persons
  - (b) may include persons who are not members of the Board of Trustees, and
  - (c) must include at least one member of the Board of Trustees.
- (3) The Board of Trustees may delegate any of its functions to any committee established under this clause.

*(4) A committee established under this clause shall report to the Board of Trustees in accordance with any instructions given by the Board of Trustees under clause 43.*

*(5) A committee established under this clause shall keep a proper record of its proceedings.*

1.8.1 The Board of Trustees may, from time to time, establish and dissolve committees, including any standing committees.

1.8.2 The Board of Trustees has the following standing committees:

Audit

Investment

Senior Management Remuneration

1.8.3 The Board of Trustees may establish other ad hoc committees as the need arises.

1.8.4 The Board of Trustees has established a mechanism for making urgent decisions between meetings; this is set out in the annex to [Appendix F](#).

### **13. Employees**

(1) The Board of Trustees may appoint employees of the Charity and fix their remuneration and conditions of employment.

(2) The Board of Trustees may delegate any of its functions to any employee of the Charity.

*(3) Employees shall report to the Board of Trustees in accordance with any instructions given by the Board of Trustees.*

1.8.5 The Board of Trustees has delegated various functions to committees and to staff under clauses 12(3) and 13(2) respectively. The delegation to staff is summarised in a Scheme of Delegation which is reviewed periodically by the Board of Trustees.

### **43. Regulation of procedures**

(1) The Board of Trustees may from time to time make regulations for the management and administration of the Charity, the holding of meetings and the conduct of the business of the Charity and of the Board of Trustees, the Council and any committee or, sub-committee

- (2) Without prejudice to the generality of paragraph (1) above regulations made under that paragraph may specify the quorum for the Council or for any committee or sub-committee.
- (3) Subject to the National Trust Acts and this scheme, and to any regulations made under paragraph (1) above, the Board of Trustees, the Council and any committee or sub-committee shall each have power to regulate its own procedures.
- (4) In this clause “regulations” includes rules, standing orders and instructions.

#### **45. Power of amendment**

- (1) The Board of Trustees (subject to the provisions of this clause) may from time to time amend this scheme if it is satisfied that it is expedient in the interests of the Charity to do so.
- (2) The Board of Trustees shall consult the Council before making any such amendment.
- (3) The Board of Trustees shall not make any amendment which would have the effect directly or indirectly of:
  - (a) altering or extending the purposes of the Charity;
  - (b) authorising the Board of Trustees to do anything which is expressly prohibited by the trusts of the Charity;
  - (c) causing the Charity to cease to be a charity at law; or
  - (d) altering or extending the power of amendment that is conferred by this clause.
- (4) The Board of Trustees shall obtain the prior written approval of the Commissioners before making any amendment which would have the effect directly or indirectly of:
  - (a) enabling them to spend permanent endowment or capitalise income of the Charity;
  - (b) conferring a benefit of any kind on all or any of the current members of the Board of Trustees or their successors;
  - (c) restricting (without the consent of that person) the existing right of any person to appoint or remove a member of the Board of Trustees, or to intervene in the administration of the Charity;
  - (d) changing provisions in this scheme as to the size of the Council or the minimum or maximum size of the Board of Trustees, or changing the method by which members of those bodies are elected or appointed; or
  - (e) varying the name of the Charity.
- (5) An amendment may be made only by a resolution passed at a meeting of the Board of Trustees of which not less than 21 days notice has been given. The notice must set out the terms of the proposed amendment.

- (6) The Board of Trustees shall:
- (a) prepare a written memorandum of each amendment that it makes, which must be signed at the meeting at which the amendment is made by the person chairing the meeting;
  - (b) send to the Commissioners a copy of the memorandum certified by a person authorised by the Board to do so within three months of the date of the meeting; and
  - (c) retain the memorandum as part of the governing documents.

## 1.9 Membership of the Board of Trustees

### 26. Requirement to be a member of the National Trust

No person shall be eligible for appointment or election (as the case may be) as Chairman or Deputy Chairman, or as a member of the Board of Trustees or the Council unless that person is a member of the Charity.

### 3. Board of Trustees

- (4) The Board of Trustees shall have a minimum of 9 and a maximum of 15 members, unless –
- (a) a resolution is passed by the Council and by the Board of Trustees to change the minimum or maximum numbers, or both numbers, and
  - (b) the Commissioners give their approval in writing to such a change.
- (5) The Chairman and Deputy Chairman shall automatically be members of the Board of Trustees.
- (6) All members of the Board of Trustees other than the Chairman and the Deputy Chairman shall be appointed by the Council in accordance with published procedures decided by the Council.
- (7) In addition to the Chairman and Deputy Chairman, at least two Trustees appointed by the Council shall also be members of the Council.
- (8) Except as provided by paragraph (10) below every member of the Board of Trustees shall be appointed for three years, and retiring members shall be eligible for re-appointment.
- (9) The Council shall exercise its powers with the object of ensuring that, so far as is practicable, the terms of office of approximately one third of the members of the Board of Trustees expire every year.
- (10) The Council may, exceptionally, appoint a member of the Board of Trustees for a term of less than three years where this is necessary to achieve the object referred to in paragraph (9) above.

- 1.9.1 The Board of Trustees will be a small team of between nine and fifteen members, with the very best balance of skills and expertise to help the Trust achieve its statutory objectives and strategy.
- 1.9.2 The core qualities and experience required for this position are listed in Appendix D to the Handbook, and may be modified in particular cases if the Council considers that appropriate.
- 1.9.3 Each year the Council should decide, in consultation with the relevant Nominations Committee and the Board of Trustees, the size of the Board of Trustees, whether or not there should be any change in the number of Trustees, and the criteria to be applied in selecting the most appropriate candidates to fill any vacancies.
- 1.9.4 Vacant posts on the Board of Trustees, for members other than Council members, will be publicly advertised, using appropriate media. Details of the selection criteria, and of the appointments process, will be freely available from the Trust, and will also be contained on the Trust website.
- 1.9.5 Members of the Council and staff who are not involved with the appointment process are encouraged to assist in the search for potential candidates for vacant positions.
- 1.9.6 The appointments process is conducted with the assistance of a Nominations Committee established under clause 27 (1) (b) of the Parliamentary Scheme.
- 1.9.7 It is anticipated that in normal circumstances the Board of Trustees will comprise both Council and non-Council members. No fewer than four trustees must be members of the Council. These will include the Chair and Deputy Chair.
- 1.9.8 Appointments should normally be for a term of three years, with individuals not normally serving more than two successive terms. Where there has been a gap of less than 23 months between two terms of office, those terms shall be treated as successive.

## **8. Chairman and Deputy Chairman of Board of Trustees**

The Chairman and Deputy Chairman of the Charity shall act as Chairman and Deputy Chairman of the Board of Trustees.

## **4. New members of Board of Trustees**

(1) The Charity shall ensure that each new member of the Board of Trustees is given, within a reasonable period of his or her appointment, an appropriate induction into the affairs of the Charity and the responsibilities of the Board of Trustees.

(2) The Charity shall ensure that each member of the Board of Trustees is given a copy of the National Trust Acts together with this scheme and any amendments made to them, and a copy of the Charity's latest report and statement of accounts.

#### **5. Record of new members of Board of Trustees**

The Charity shall keep a record of the name and address of every member of the Board of Trustees and the dates on which their terms of office begin and end.

### **1.10 Removal**

#### **6. Termination of membership of Board of Trustees**

(1) A person shall cease to be a member of the Board of Trustees if he or she:

(a) is removed by a resolution of the Council supported by at least 21 members of the Council or at least two-thirds of the members of the Council present at the meeting and eligible to vote, whichever is the greater;

(b) is disqualified from acting as a trustee by section 72 of the Charities Act 1993;

(c) is absent without the permission of the Board of Trustees from all their meetings held within a period of 12 months and the Board of Trustees resolve that his or her office be vacated; or

(d) gives notice in writing of his or her intention to resign to the Chairman.

(2) A notice given under paragraph (1)(d) above shall only take effect if following the resignation of the person giving the notice at least 6 members of the Board of Trustees will remain in office.

1.10.1 The rules pertaining to disqualification from acting as a Trustee previously set out in section 72 of *the Charities Act 1993* are now set out in section 178 of *the Charities Act 2011*. These are outlined in [Appendix H](#) to this Handbook.

## 1.11 Casual vacancies

### 7. Casual vacancies on Board of Trustees

- (1) The Council shall fill casual vacancies on the Board of Trustees where it is necessary to do so in order –
  - (a) to maintain the number of members in accordance with clause 3(4) or with any resolution for the time being in force under clause 3(4);
  - (b) to ensure that the requirements of clause 3(7) are complied with; or
  - (c) to ensure that a notice of resignation which has not taken effect in the circumstances referred to in clause 6(2) shall take effect.
- (2) In any case other than one to which paragraph (1) above applies the Council may if it thinks fit fill casual vacancies on the Board of Trustees.
- (3) At the time it makes an appointment under paragraph (1) or paragraph (2) the Council shall decide whether the appointment is to be for a full three year term or for only the remainder of the term of the former trustee who is being replaced, and the person appointed shall then hold office accordingly.

1.11.1 The appointments process is conducted with the assistance of a Nominations Committee established under clause 27 (1) (b) of the Parliamentary Scheme.

## 1.12 Meetings

### 9. Meetings of Board of Trustees

- (1) The Board of Trustees shall make provision for its meetings in accordance with clause 43.
- (2) The quorum for meetings of the Board of Trustees shall be half of the members for the time being of the Board of Trustees, rounded up when there is an odd number of members of the Board of Trustees, or six members of the Board of Trustees, whichever is the greater.

### 3. Board of Trustees

- (3) Except as provided by clauses 10(3), 12(3) and 13(2), the members of the Board of Trustees shall exercise their powers jointly, at meetings convened in accordance with this scheme.

### 10. Decisions of Board of Trustees

- (1) Subject to paragraph (3) below, and unless otherwise expressly provided in this scheme, every matter shall, in case of difference, be decided by a majority of the members of the Board of Trustees present and voting at a duly convened meeting of the Board of Trustees.
- (2) The chairman of the meeting may cast a second or casting vote only if

there is a tied vote.

- (3) Subject to paragraph (4) below a decision supported by all members of the Board of Trustees and taken otherwise than at a meeting shall be as valid as if it had been made at a meeting of the Board of Trustees.
- (4) A decision taken in accordance with paragraph (3) above shall only be valid if it is recorded in writing in a single document signed by all members of the Board of Trustees, or else in two or more similar documents which together bear the signatures of all members of the Board of Trustees.

#### **11. Recording of meetings of Board of Trustees**

The Board of Trustees shall keep a proper record of its meetings.

1.12.1 The Board of Trustees will normally meet six to eight times a year. The focus of the Board of Trustees' work will be on giving the Director-General and Executive Team clear strategic direction and on monitoring its delivery of agreed targets.

1.12.2 Visits to properties will be organised to discuss topical themes with staff and other volunteers.

#### **43. Regulation of procedures**

- (1) The Board of Trustees may from time to time make regulations for the management and administration of the Charity, the holding of meetings and the conduct of the business of the Charity and of the Board of Trustees, the Council and any committee or sub-committee.
- (2) Without prejudice to the generality of paragraph (1) above regulations made under that paragraph may specify the quorum for the Council or for any committee or sub-committee.
- (3) Subject to the National Trust Acts and this scheme, and to any regulations made under paragraph (1) above, the Board of Trustees, the Council and any committee or sub-committee shall each have power to regulate its own procedures.
- (4) In this clause "regulations" includes rules, standing orders and instructions.

1.12.3 Using its power under clause 43 the Board of Trustees has established a Code of Conduct and Procedures for Meetings which apply to itself and to the Council and other governance bodies. These are set out in [Appendices A and B](#).

1.12.4 The Board of Trustees has established a mechanism for making decisions between meetings; this is set out in the annex to [Appendix F](#).

# The Council

## 1.13 Role

1.13.1 The Council is the guardian of the spirit of the Trust as embodied in its core purpose. The Council appoints the members of the Board of Trustees and holds them to account.

### 15. Functions of Council

- (1) The Council shall appoint the members of the Board of Trustees and hold them to account.
- (2) The Council's responsibilities shall include:
  - (a) monitoring the fulfilment by the Charity of its statutory purposes;
  - (b) appointing the Chairman and Deputy Chairman of the Charity;
  - (c) appointing and, if necessary, removing members of the Board of Trustees in accordance with this scheme;
  - (d) monitoring the performance of, and calling to account, the Board of Trustees in its control and management of the administration of the Charity;
  - (e) arranging the procedures for election of members of the Council;
  - (f) reviewing every six years the list of appointing bodies;
  - (g) making available annually to the members of the Charity a report on the activities of the Council;
  - (h) commenting on proposals from the Board of Trustees for the alteration of the National Trust Acts or byelaws or of this or any other scheme of the Charity Commission relating to the Charity.

1.13.2 The Council's appointment responsibilities and tasks include:

- appointing, with the help of Nominations Committees, the Chair and Deputy Chair of the Trust and members of the Board of Trustees
- if necessary, removing the Chair/Deputy Chair and members of the Board of Trustees in accordance with the provisions of the Scheme
- appointing the Senior Member of the Council
- appointing, with the help of a Nominations Committee, a pool of external members

- overseeing, with the help of a Nominations Committee, the procedures for election of members of the Council
- overseeing the appointment of Council members by the Appointing Bodies and, with the help of a Nominations Committee, reviewing every six years the list of those bodies

1.13.3 The Council's holding to account responsibilities and tasks include:

- monitoring the fulfilment by the Charity of its statutory purposes, having regard to the spirit of the Trust
- monitoring the performance of the Board of Trustees and holding it to account in its control and management of the administration of the Trust (see also [1.13.5](#))
- reviewing annually the Trust's strategy to satisfy itself that it is consistent with the Trust's core purpose
- satisfying itself that major risks to the long-term reputation of the Trust are being addressed by the Board

1.13.4 The Council's other responsibilities include:

- commenting on proposals from the Board of Trustees for the alteration of the National Trust Acts or Byelaws or of the Scheme or any other scheme of the Charity Commission relating to the Charity
- reporting annually to members of the Trust on the Council's activities
- if requested, serving as a sounding board to the Board of Trustees for the formulation of, or amendment of key policies
- drawing the attention of the Board of Trustees to specific issues of strategic or policy concern that arise during the year
- acting as advocates of the Trust among members, the wider public and a range of stakeholders

1.13.5 As anticipated by the governance principles described at the beginning of this Handbook, when holding the Board to account the Council's role is not to concern itself with the operational running of the Trust. Rather, it is to check that the Board has a strategy aligned to the charity's core purpose, and that overall the strategy is being implemented successfully. To enable the Council to undertake its role in holding the Board to account Council members will:

- receive minutes of Board of Trustees meetings and reports about the Trust's overall performance and have the opportunity to ask questions of Trustees about these papers at Council meetings. (Upon request Council members can also receive copies of the Board's agendas and supporting papers on the basis set out in the Annex to the Procedures for Meetings ([Appendix B](#) to the Handbook))
- receive the Annual Report & Accounts each year and have an opportunity to discuss its contents and ask questions of Trustees
- receive reports on what the Board has identified as the major risks to the long-term reputation of the Trust and how these are being addressed
- review annually the Trust's strategy to discuss whether it remains consistent with the Trust's core purpose
- agree what additional monitoring processes are required at any one time

1.13.6 The Council will review its ways of working at regular intervals.

## 1.14 Election and appointment of members of the Council

### 16. Elected members of Council

- (1) The Council shall make arrangements for the holding each year of elections of persons who are to be elected members in accordance with this scheme.
- (2) The Council shall each year after consulting with a Nominations Committee appointed in accordance with clause 27 draw up criteria to be applied in assessing candidates for election to the Council.
- (3) The Council shall publish the criteria referred to in paragraph (2) above in such manner as the Council may from time to time consider appropriate, and shall on request supply a copy of those criteria to any prospective candidate or any member of the Charity.

1.14.1 Applications for elections for Council membership will be invited through public advertisement using appropriate media. The advertisements will set out the details of the selection criteria, and of the elections process. All the relevant information will be freely available from the Trust, and will also be contained on the Trust website.

1.14.2 Members of the Council and staff who are not involved with the election process are encouraged to assist in the search for potential candidates for vacant positions.

- (4) The Nominations Committee shall publish recommendations to members as to which candidates, in the opinion of the Nominations Committee, best satisfy the criteria for the time being drawn up under paragraph (2) above.

1.14.3 The Council will discuss the Nominations Committee's recommendations before they are presented to the members of the Trust.

- (5) The arrangements made by the Council under paragraph (1) above shall in particular include arrangements for:
- (a) the giving of notice of elections and for specifying the closing date for voting;
  - (b) the nomination of candidates;
  - (c) the provision of information by candidates; and
  - (d) the conduct of voting.
- (6) The arrangements made under paragraph (1) above shall permit every member of the Charity who is eligible to vote to vote by postal voting, and may permit such members, as an alternative to postal voting, to vote electronically.
- (7) For the purposes of paragraph (6) above a member is eligible to vote if he or she has been a member throughout the 70 days immediately preceding the published closing date for voting.
- (8) The procedures laid down by paragraphs (1) to (7) above may be amended by a resolution passed by the Council, by the Board of Trustees, and by the members of the Charity in general meeting.

## 1.15 Appointed members of the Council

### 17. Appointed members of Council

- (1) The bodies and persons named in part 3 of the Schedule as changed by any review carried out in accordance with clause 18 of this scheme may each appoint a member of the Council.
- (2) The bodies named in part 4 of the Schedule as changed by any review carried out in accordance with clause 18 of this scheme may jointly appoint a member of the Council and in default of agreement between those bodies the majority of them may make the appointment.
- (3) For the purposes of clause 18 the bodies listed in part 4 of the Schedule as changed by any review carried out in accordance with clause 18 of this scheme shall be treated as a single body.

- 1.15.1 The list of the appointing bodies referred to in the above clause is set out in [Appendix E](#) of the Handbook.
- 1.15.2 Appointing Bodies should observe the general principle that their appointed members should serve no more than two successive terms, as noted for elected members of the Council in clause [1.17.4](#). Once appointed they are a member of the Council in their own right, on an equal footing with elected members. Appointed members of the Council are (just as elected members are) concerned with the interests of the National Trust as a whole and act as appointees, not representatives, of their Appointing Bodies. It follows from this that the fact that an Appointing Body ceases to be an Appointing Body has no impact on the standing of their appointee until such time as the appointee's term of office ends. This is the case whether the Appointing Body has lost that role by being replaced on the six yearly review, or has simply ceased to exist.
- 1.15.3 There should be a dialogue between the Trust and each Appointing Body, as to the basis upon which the Appointing Body selects its appointee. Prior to appointments being made, The Secretary and/or the Senior Member of the Council will contact a representative of the Appointing Body to explain the role of Council members. Potential appointees will also have the opportunity for an informal discussion with The Secretary and/or Senior Member to find out more about the role of Council members. The decision about who to appoint rests with the Appointing Body. In many cases the Appointing Body will appoint someone with a link to that body, but it is not necessary for there to be any such link. The Appointing Body will have been elected because its area of operations is relevant to the National Trust's work, so it is likely it will want to use its expertise to identify someone who themselves knows about that area. But again, strictly speaking, that is not necessary.

## 1.16 Review of appointing bodies of the Council

### 18. Review of appointing bodies

- (1) In this clause:
- “review” means a review carried out in accordance with this clause; and
- “review year” means 2006 and thereafter every sixth year after that.
- (2) The Council shall carry out a review of the appointing bodies before the 31st December in every review year.
- (3) In the course of a review the Council shall carry out such consultation as it thinks appropriate of members of the Charity and any other person or body as to what changes might be made to the list of appointing bodies.
- (4) A Nominations Committee appointed in accordance with clause 27 shall review the results of the consultation and shall then make

recommendations to the Council as to:

- (a) which bodies (“the candidate bodies”) should be included in the ballot paper to be issued to members of the Charity; and
  - (b) which 18 of the candidate bodies would, in the opinion of the Nominations Committee, be most suited to being included in the revised list of appointing bodies.
- (5) The Council shall on the occasion of each review make arrangements for a ballot of members of the Charity to be held on possible changes to the list of appointing bodies.
- (6) The arrangements made under this clause shall permit every member who is eligible to vote to vote by postal voting, and may permit such members, as an alternative to postal voting, to vote electronically.
- (7) For the purposes of paragraph (6) above a member is eligible to vote if he or she has been a member throughout the 70 days immediately preceding the published closing date for the ballot.
- (8) The arrangements made under this clause shall specify the date (“the review date”) from which any change to the list of appointing bodies is to have effect. The review date must be a date on or after the results of the review are published, but not later than the end of the review year.
- (9) The Council shall decide, having regard to the recommendations of the Nominations Committee:
- (a) which candidate bodies shall be included on the ballot paper drawn up for the purposes of the ballot; and
  - (b) what recommendations shall be made to members as to which 18 of those bodies are most suitable to be appointing bodies.
- (10) The 18 candidate bodies which secure the highest number of votes in the ballot shall be appointing bodies with effect from the review date.
- (11) The procedures laid down by paragraphs (1) to (10) above may be amended by a resolution passed by the Council, by the Board of Trustees, and by the members of the Charity in general meeting.

1.16.1 In making arrangements for the review of the list of Appointing Bodies, the Council will stipulate the date on which the new list will take effect. On that date those bodies (‘the previous Appointing Bodies’) which were on the old list but are not on the new list cease to be Appointing Bodies, and the bodies which have replaced them (‘the new Appointing Bodies’) become Appointing Bodies.

1.16.2 This stage of the process has no effect on the members of the Council who were appointed by the previous Appointing Bodies. Those members of the Council serve out the term for which they were appointed (normally three years), unless the member of Council concerned chooses to retire early from

office. There is no convention or expectation that they should retire early in such circumstances.

- 1.16.3 When the term of office of each of those Council members appointed by the previous Appointing Bodies comes to an end (or they retire), their replacement on the Council will be appointed by one of the new Appointing Bodies. The new member of the Council will be appointed for three years unless the person they are replacing stood down early, in which case the new Appointing Body has the option (clause 21(4) of the Scheme as amended) of Appointing the new Council member for the balance of the term of the person they are replacing – at the end of which the newly appointed Council member can be reappointed.
- 1.16.4 Where the review of the list of Appointing Bodies has resulted in there being more than one new Appointing Body, the Secretary will determine which of the new bodies appoints to the first relevant vacancy amongst the appointed members of the Council, which to the second, and so on.
- 1.16.5 Because it may take up to three years for a vacancy to arise amongst the appointed members of the Council, there may be a time lag of up to three years between a new Appointing Body joining the list of Appointing Bodies and it making its first appointment.

## **1.17 Membership of the Council**

### **26. Requirement to be a member of the National Trust**

No person shall be eligible for appointment or election (as the case may be) as Chairman or Deputy Chairman, or as a member of the Board of Trustees or the Council unless that person is a member of the Charity.

### **14. The Council of the National Trust**

(1) The Council shall have 36 members consisting of:

- (a) 18 persons elected by members of the Charity in accordance with clause 16; and
- (b) 18 persons appointed in accordance with clause 17.

- 1.17.1 The Council is made up of 36 members, 18 elected by the members of the National Trust and 18 appointed by organisations whose interests coincide in some way with those of the National Trust. The total number of members of the Council will increase by one where the Council appoints a Chair who is not a member of the Council at the time at which that appointment is made, until such time as he or she is elected (or appointed) to the Council, or ceases to be Chair.

1.17.2 The breadth of experience and perspective brought by this mix of elected and appointed members enables the Council to fulfil its role of holding the Board of Trustees to account, ensuring that the Trust takes full account of the wider interests of the nation for whose benefit it exists and to act as the Trust's conscience in delivering its statutory duties.

1.17.3 Where appropriate, individual Council members may, through membership of an ad hoc group set up to look at a specific issue, complement staff skills and advise staff on specific issues, help staff with policy development and provide advice as needed on major acquisitions and projects.

## **25. Eligibility to serve as a member of Council**

- (1) A person who would be disqualified from acting as a trustee of a charity may not serve as a member of the Council unless the Council resolves that that person is a fit person to act as a member of the Council.
- (2) If, whilst a person is serving as a member of the Council, an event occurs which would disqualify that person from acting as a trustee of a charity:
  - (a) that person shall, immediately upon the event happening, cease to be a member of the Council, but
  - (b) that person may subsequently stand for re-election or re-appointment if the Council resolves that, notwithstanding the event, that person is a fit person to act as a member of the Council.

## **19. Terms of office of members of Council**

- (1) All members of the Council shall hold office for three years from the date of their appointment or election, as the case may be.
- (2) A person who has held office as an appointed member or as an elected member shall be eligible for appointment or reappointment, or for election or re-election, as the case may be, to the Council.

1.17.4 All members of the Council are elected or appointed for a term of three years (except in the case of a casual vacancy) and are eligible to stand again. For elected members, the Nominations Committee will bear in mind the length of time an individual has served on the Council, observing the general principle that he or she should not normally serve more than two successive terms. As an exception, the Senior Member may serve a third term to allow him or her to complete their current term as Senior Member. Where there has been a gap of less than 23 months between two terms of office, those terms shall be treated as successive.

1.17.5 The core qualities and experience required for this position are listed in [Appendix D](#) to the Handbook, and may be modified in particular cases if the Council considers that appropriate.

1.17.6 The Council can, through the Chair, invite others to attend meetings as observers.

## 1.18 Resignation

### 20. Resignation from Council

A member of the Council may resign at any time by giving notice in writing to the Chairman.

## 1.19 Casual vacancies

### 21. Casual vacancies on Council

- (1) If a casual vacancy arises amongst the elected members of the Council the Council may appoint another person to fill the vacancy.
- (2) A member of the Council appointed under paragraph (1) above shall hold office until the next election to the Council, at which point he or she may stand for election.
- (3) If a casual vacancy arises amongst the appointed members of the Council the relevant appointing body may appoint a replacement.
- (4) At the time it makes an appointment under paragraph (3) the relevant appointing body shall decide whether the appointment is to be for a full three year term or for only the remainder of the term of the former Council member who is being replaced, and the person appointed shall then hold office accordingly.

1.19.1 Should a casual vacancy arise amongst the elected members of the Council the Council will as soon as practicable after that decide whether or not it wishes to fill the vacancy and, if so, what process it wishes to adopt in order to do so.

## 1.20 Meetings

### 14. The Council of the National Trust

- (2) The Council shall meet at least once a year.

### 43. Regulation of procedures

- (1) The Board of Trustees may from time to time make regulations for the management and administration of the Charity, the holding of meetings and the conduct of the business of the Charity and of the Board of Trustees, the Council and any committee, or sub-committee.
- (2) Without prejudice to the generality of paragraph (1) above regulations

made under that paragraph may specify the quorum for the Council or for any committee or sub-committee.

- (3) Subject to the National Trust Acts and this scheme, and to any regulations made under paragraph (1) above, the Board of Trustees, the Council and any committee-or sub-committee shall each have power to regulate its own procedures.
- (4) In this clause “regulations” includes rules, standing orders and instructions.

1.20.1 The Council will normally meet three times a year.

1.20.2 An agenda and related papers will be circulated at least seven days prior to a meeting, and minutes will be circulated in a timely manner.

1.20.3 In accordance with its powers under clause 43 of the Scheme, the Board of Trustees may make regulations for the management and administration of Council meetings, so far as it is consistent with the Scheme. The regulations may include provision for a quorum. How the Council arranges its business within any regulations made by the Board of Trustees will be a matter largely for the Council itself to decide. It is envisaged there will be at least one major discussion item on a particular aspect of the Trust’s work on the agenda for each meeting. In addition there will be a regular pattern of business throughout the year. Members of the Council will have opportunities to engage with the Trust’s work at properties. Visits to properties will be organised to discuss topical themes with staff and other volunteers.

1.20.4 Using its power under clause 43 the Board of Trustees has established a Code of Conduct and Procedures for Meetings which apply to itself and to the Council and other governance bodies. These are set out in [Appendices A and B](#).

## 1.21 Committees of inquiry

### 28. Committees of inquiry

- (1) The Council by resolution may establish a committee of inquiry to investigate any aspect of the affairs of the Charity.
- (2) The composition, procedures and terms of reference of a committee of inquiry established under this clause shall be specified in the resolution by which the committee is established.
- (3) A committee of inquiry shall have all necessary powers of calling for documents, assistance and evidence from the Board of Trustees and from the staff of the Charity.
- (4) The committee of inquiry shall report back to the Council and the Council

shall then decide what action, if any, to take.

- (5) A resolution under this clause to establish a committee of inquiry shall not be valid unless supported by at least two-thirds of the members of the Council present at the meeting at which the resolution is considered.

**6. Termination of membership of Board of Trustees**

- (1) A person shall cease to be a member of the Board of Trustees if he or she:

- (a) is removed by a resolution of the Council supported by at least 21 members of the Council or at least two-thirds of the members of the Council present at the meeting and eligible to vote, whichever is the greater;

1.21.1 The Council can appoint a committee of enquiry to investigate and consider any matter about which the Council has serious concerns, including any actions of the Board of Trustees or some of the members of the Board of Trustees.

1.21.2 Under the provisions of clause 6 of the Scheme, the Council has the power to dismiss one or more, or all, members of the Board of Trustees. This power is to be used only in exceptional circumstances such as if, in the opinion of the Council, the behaviour of an individual, or individuals, or of the Board of Trustees as a whole, is likely to damage the organisation. A decision to dismiss a member, or members, of the Board of Trustees would need to be approved by at least 21 members of the Council, or at least two-thirds of the members of the Council present at the meeting and eligible to vote, whichever is the greater.

# The Senior Member of the Council

## 1.22 Role

1.22.1 The Senior Member of the Council is elected by the Council by ballot from among its existing members. The Senior Member should not be a member of the Board of Trustees.

1.22.2 Main responsibilities and tasks, to:

- be the subsequent point of contact for individual members of the Council who have raised a matter with the Chair and/or Deputy Chair but do not feel they have had a satisfactory response, and take through and try to resolve any issues they may have
- follow up with the Chair any widely-shared concerns and, if required, chair a discussion at a Council meeting to agree what action is needed
- chair discussions by the Council on the performance of the Board of Trustees and follow up any concerns with the Chair of the Trust
- lead the process for the appointment of the Chair and Deputy Chair of the Trust and chair the Nominations Committees for their appointment

### **22. Appointment of *Chairman, Deputy Chairman and Senior Member of Council***

(7) The Senior Member of the Council shall chair any part of any meeting of the Council at which the Council considers:

(a) any proposal to remove a member of the Board of Trustees;

(b) any proposal to censure the Board of Trustees; and

(c) any other business the nature of which, in the opinion of a majority of members of the Council present at the meeting, is such as to make it inappropriate for the Chairman or the Deputy Chairman to chair the meeting while that business is being considered.

## 1.23 Appointment

### **22. Appointment of *Chairman, Deputy Chairman and Senior Member of Council***

(1) Subject to paragraph (2) below, the members of the Council shall appoint from their number:

(c) a person (“the Senior Member of the Council”), who shall not be a member of the Board of Trustees, to exercise the functions conferred on him or her by this scheme.

(4) *The Chairman and Deputy Chairman and the Senior Member of the Council* shall hold office for 3 years and shall then retire from office, but shall be eligible for re-appointment.

1.23.1 The Senior Member may serve an exceptional third term to allow him or her to complete their current term as Senior Member. Where there has been a gap of less than 23 months between two terms of office, those terms shall be treated as successive.

## 1.24 Removal

### 23. Removal of *Chairman, Deputy Chairman or Senior Member of Council*

(2) The Council may by resolution remove the Senior Member provided that the resolution is supported by at least 14 members of the Council or more than half of the members of the Council present at the meeting and eligible to vote, whichever is the greater.

(3) A resolution under paragraphs (1) or (2) above shall not have the effect of removing a *Deputy Chairman or Senior Member* from the Council.

1.24.1 The Senior Member of the Council may resign at any time by giving notice in writing to the Chair. The Senior Member must stand down if he or she ceases to be a member of the Council or becomes a Trustee.

## 1.25 Casual Vacancy

### 24. *Chairman, Deputy Chairman and Senior Member of Council: casual vacancies*

(1) On a casual vacancy occurring in the office of *Chairman or Deputy Chairman or Senior Member* of the Council the Council shall appoint a person to fill the vacancy.

(3) At the time it makes an appointment under paragraph (1) the Council shall decide whether the appointment is to be for a full three year term or for only the remainder of the term of the former *Chairman, Deputy Chairman or Senior Member* of the Council whose office is to be filled, and the person appointed shall then hold office accordingly.

# Section 2 - Making governance appointments

## **Principles underlying governance appointments in the Trust**

The Trust recognises that one of the most important means by which openness, transparency and accountability can be achieved is through the appointment, selection or election, as appropriate, of high-calibre volunteers capable of overseeing the governance arrangements of the Trust, ensuring that it remains focused on achieving its mission efficiently and effectively.

The Board of Trustees and the various Nominations Committees of the Council, play a key role in the process of governance appointments. They ensure adherence to the principles and standards set out in this Handbook in making governance appointments. An external member sits on each of these Nominations Committees to increase the rigour of the appointments procedures.

Before an appointment, selection or election process is initiated for any of the bodies in the governance structure, the relevant committee will take into account:

- the aims and purposes of the body concerned
- the knowledge, skills and experience required for the position in question
- the intention to create a diverse and effective body
- the intention to meet standards of good governance
- the intention to avoid conflicts of interest

These aims will be pursued in a manner proportionate to the nature of the positions to be filled.

The Committees will ensure that selection, appointment and election processes are:

- conducted in an open and transparent way
- applied in a fair, equitable, objective and impartial manner
- designed to be thorough, robust and expeditious
- applied consistently
- fully explained and readily comprehensible

## Length of appointment

The general principle for governance appointments except where provided otherwise by the Parliamentary Scheme is a maximum of two consecutive terms of three years, mindful that exceptional circumstances may arise which merit appointment for a further term/s.

Exceptions include the Senior Member of Council, independent members of the Investment Committee and external members of committees. The specific length of governance appointments is also reflected in the individual terms of reference for each governance body.

## Equality and diversity

The Trust is committed to ensuring that the principles of equality and diversity remain at the forefront of the selection, appointment and election processes.

Equality is about creating a fairer society where everyone can participate and has the opportunity to fulfil their potential. It can be summarised in terms of equal access, treatment, shares and outcomes and is backed by legislation designed to address unfair discrimination.

Diversity is about the recognition and valuing of difference in its broadest sense. It is about creating a working culture and practices that recognise, respect, value and harness difference for the benefit of the organisation and the individual.

The Trust's equality and diversity instruction can be accessed by governance volunteers at [https://governance.nationaltrust.org.uk/intranet/essentials/rulebook/rulebook\\_a-z-instructions.htm](https://governance.nationaltrust.org.uk/intranet/essentials/rulebook/rulebook_a-z-instructions.htm). The instruction, which has been written for the purpose of internal staff processes, applies equally to all governance appointments.

## Whistle-blowing

The Trust acknowledges that, however strong its commitment to openness, transparency and accountability, it may not always get matters right. The Trust has therefore established a process whereby everyone involved with the organisation, including those holding governance positions, can raise significant issues. The detail of this whistle-blowing process is outlined in [Appendix C](#) of the Handbook.

By providing a clear framework for identifying concerns, particularly those involving perceived failings in the organisation's governance process, the Trust is seeking to demonstrate the values of openness and responsiveness which underpins its approach to running the organisation.

The Trust's whistle-blowing guidance document can also be accessed by governance volunteers at [https://governance.nationaltrust.org.uk/intranet/resources\\_employment\\_training/hro-the\\_employee\\_journey/hro\\_employee\\_journey\\_manage/hro\\_employee\\_journey\\_grievance\\_whistle-blowing.htm](https://governance.nationaltrust.org.uk/intranet/resources_employment_training/hro-the_employee_journey/hro_employee_journey_manage/hro_employee_journey_grievance_whistle-blowing.htm).

# Board of Trustees' appointments processes

## 2.1 Appointment of committees of the Board of Trustees

### 12. Establishment of committees

- (1) The Board of Trustees may from time to time establish and dissolve committees
- (2) A committee established under this clause:
  - (a) may consist of one or more persons
  - (b) may include persons who are not members of the Board of Trustees, and
  - (c) must include at least one member of the Board of Trustees.
- (3) The Board of Trustees may delegate any of its functions to any committee established under this clause.
- (4) A committee established under this clause shall report to the Board of Trustees in accordance with any instructions given by the Board of Trustees under clause 43.
- (5) A committee established under this clause shall keep a proper record of its proceedings.

2.1.1 The Board of Trustees may, from time to time, establish and dissolve committees.

2.1.2 The Board of Trustees has the following standing committees:

Audit

Investment

Senior Management Remuneration

2.1.3 The Board of Trustees may establish other ad hoc committees as the need arises.

## 2.2 Trustee and non-Trustee appointments to standing committees of the Board of Trustees

2.2.1 The Board of Trustees will make all Trustee and non-Trustee appointments to its standing committees.

2.2.2 Trustee members of standing committees will be appointed for a term of office to be decided by the Board of Trustees.

- 2.2.3 Non-Trustee members of standing committees will be appointed on the recommendation of a panel established for that purpose. The panel will comprise a Trustee member and an independent member, supported by the relevant Executive Team member or other staff lead as appropriate.
- 2.2.4 Non-Trustee members of standing committees, with the exception of the Investment Committee, will normally be appointed for three years, with the possibility of serving a further three-year term.
- 2.2.5 Non-Trustee members of the Investment Committee will normally be appointed for three years, with the possibility of serving further three-year terms, the number of which will be determined by the Board of Trustees. When considering a further three-year term, the Board of Trustees will take into account the benefit to this particular Committee of continuity of service, depending on the needs of the Committee at the time.
- 2.2.6 The Board of Trustees is responsible for ensuring organisational standards are in place for good practice in governance appointments, inductions, succession planning and diversity.

# Council nominations processes

## 2.3 Role

- 2.3.1 All Nominations Committees of the Council operate consistently with the governance principles set out at the beginning of this Handbook.

### 27. Nominations Committee

- (1) The Council shall:
- (a) whenever the involvement of a Nominations Committee is provided for under clause 16 or clause 18, and
  - (b) whenever the Council is to make an appointment to the Board of Trustees, or is to appoint the Chairman or Deputy Chairman,
- appoint a committee to be known as a Nominations Committee to assist the Council (and, in the case of elections to the Council, the members of the Charity).
- (2) The size and criteria for membership of each Nominations Committee shall be determined by resolution of the Council provided that at least one member of each Nominations Committee shall be a person who is external to the Charity.

#### 1. Definitions

- (2) For the purposes of this scheme, a person is external to the Charity if that person –
- (a) is not a member of the Board of Trustees or the Council
  - (b) has not been a member of any such body within the previous three years;
  - (c) is not, and has not been within the previous three years, an employee of the Charity, and
  - (d) is not the spouse, parent or child of a person falling within any of subparagraphs (a), (b) or (c) above.

### 2.3.2 Main responsibilities

Nominations Committee will assist the Council in the following selection or appointment processes:

External members of the Nominations Committees

The Chair and Deputy Chair

Members of the Board of Trustees

Elected members of the Council

The review of Appointing Bodies

## **2.4 Membership of Nominations Committees**

- 2.4.1 It is important that members of a Nominations Committee are the best people for the job. They need to have the right experience and skills, directly relevant to the work of the committee. They must demonstrate independence of mind, and work to a high standard of consistency, openness, fairness and objectivity. This will give them credibility and engender confidence in the Trust's governance.
- 2.4.2 Given that the Trust wishes to broaden its appeal, it is also important that these committees are made up of people with a range of different backgrounds and perspectives.
- 2.4.3 A Nominations Committee is made up of two or three members of the Council and one external member. In the case of Nominations Committees for the Chair, Deputy Chair and Trustees, a Trustee member will also be appointed by the Council following the nomination of that Trustee member by the Board. The Council may, if it determines, invite the Board to review its recommendation. The Trustee member will usually be appointed as part of the process which establishes the Nominations Committee.
- 2.4.4 The Chair of a Nominations Committee is appointed from among the members at the first meeting. The Chair can be either a member of the Council or the external member. In the case of the Nominations Committees for the appointment of the Chair and Deputy Chair, the Senior Member will normally chair the Committee unless they have a conflict of interest. The Board-nominated Trustee member may not chair the Nominations Committee.
- 2.4.5 The quorum for a Nominations Committee is three, including the external member.

## **2.5 Qualities and experience**

- 2.5.1 All members of a Nominations Committee should demonstrate that they:
- understand and are committed to best practice in recruitment and selection, and to processes which are fair, open and transparent
  - have broad experience of good governance, and an understanding of the governance of charities and the duties and responsibilities of Trustees

- are knowledgeable about the aims and purposes of the National Trust, and committed to its objectives
- will act with integrity at all times
- in their role as members of the Committee, act solely in the best interests of the Trust, and without regard to their own personal interest or benefit or to the interest or benefit of their Appointing Body
- approach decisions objectively and fairly and, in recommending appointments, make choices on merit
- are willing to be accountable for their decisions and recommendations
- have no potential conflicts of interest
- are able to commit the necessary time to be an effective member of the Committee

2.5.2 The Nominations Committee needs to demonstrate that it has, amongst its members, experience of participating in effective recruitment, selection and induction processes.

2.5.3 The Chair of a Nominations Committee should also be able to demonstrate:

- independence and openness of mind
- the ability to contribute experience
- wisdom and good judgement
- good chairmanship skills
- an understanding of the Trust and its strategic aims and priorities

2.5.4 An external member of a Nominations Committee should bring additional experience and qualities of judgement and also be able to demonstrate:

- independence and openness of mind
- wisdom and good judgement
- the ability to work well as an independent member of the team
- wide experience of governance in organisations which take good practice in this field seriously

- significant experience in a non-executive Board role in more than one sector (defined as private, public or voluntary sectors)
- previous experience as a member of a nominations committee, or similar, and an understanding of good practice

## **2.6 Appointment of Council members of a Nominations Committee**

2.6.1 Each time the Council sets up a Nominations Committee it will decide whether it wishes the Committee to have two or three Council members on it. The Secretary will invite applications from members of the Council interested in serving on the Committee. The selection of Council members for the Committee will normally be by secret ballot to be conducted outside of the meeting of the Council, unless the Council determines otherwise. All members of the Council, including those standing for membership of the Committee, may vote. Those standing will be asked, when they submit their application before the ballot, to submit a statement of not more than 200 words explaining why they wish to serve on the Committee and what relevant qualities and experience they have, and those statements will be circulated in advance of the ballot. If the Council determines to conduct a ballot at a meeting of the Council, only those members present at the meeting (including those standing for election) may vote.

## **2.7 Appointment of a pool of external members to serve on Nominations Committees**

### **1. Definitions**

(2) For the purposes of this scheme, a person is external to the Charity if that person –

- (a) is not a member of the Board of Trustees or the Council
- (b) has not been a member of any such body within the previous three years;
- (c) is not, and has not been within the previous three years, an employee of the Charity, and
- (d) is not the spouse, parent or child of a person falling within any of subparagraphs (a), (b) or (c) above.

(3) For the purposes of paragraph (2) above –

- (a) “child” includes a stepchild and an illegitimate child;
- (b) a person living with another as that person’s husband, wife or long term partner shall be treated as that person’s spouse; and
- (c) the fact that a person is a member of the Charity does not preclude that

person from being external to the Charity.

- 2.7.1 External members will be appointed by the Council, on the recommendation of the Nominations Committee set up for this purpose, to a pool of such external members to serve across the spectrum of Council Nominations Committees. The Council will decide the criteria to be used in assessing the suitability of candidates for appointment as an external member.
- 2.7.2 Members of the Council and staff who are not involved with the appointment process are encouraged to assist in the search for potential candidates for vacant positions.
- 2.7.3 Applications for external members will be invited through public advertisement, setting out the detail of the appointments process. Public advertisement includes the National Trust website and does not necessarily imply an obligation to advertise in local or national press. Short-listed candidates will be selected and interviewed by the Nominations Committee established for the purpose. The Nominations Committee will recommend to the Council the candidates who in its opinion best meet the skills, experience and personal qualities required. The final decision will be made by the Council. The process of selection will be by ballot to be conducted outside of the meeting of the Council, unless the Council determines otherwise.
- 2.7.4 External members will be expected to demonstrate actual independence of the National Trust over the past three years as defined in clause 1 (2) of the Scheme. To ensure the independence of external members they may only hold a post (or series of posts) as external member for a maximum of five years, after which they may not be reappointed until a further three years have elapsed.
- 2.7.5 An external member may, but does not need to, be a member of the National Trust.

## **2.8 Appointment of an external member of a Nominations Committee**

- 2.8.1 Each time the Council sets up a Nominations Committee, the Council will select as the external member of that Committee one of the pool of external members, taking account of a recommendation of the Secretary. If the recommendation is not accepted, the matter will be decided by the Council in such manner as the Chair (or, in the event of a Nominations Committee for the appointment of the Chair or Deputy Chair, the Senior Member) considers appropriate.

## 2.9 Appointment of the Chair

### 22. Appointment of Chairman, Deputy Chairman and Senior Member of Council

- (4) The Chairman and Deputy Chairman and the Senior Member of the Council shall hold office for 3 years and shall then retire from office, but shall be eligible for re-appointment.

### 24. Chairman, Deputy Chairman and Senior Member of Council: casual vacancies

- (1) On a casual vacancy occurring in the office of Chairman or Deputy Chairman or Senior Member of the Council the Council shall appoint a person to fill the vacancy.
- (2) Clauses 22(2) and (3) shall apply to any person appointed to fill any casual vacancy in the office of Chairman.
- (3) At the time it makes an appointment under paragraph (1) the Council shall decide whether the appointment is to be for a full three year term or for only the remainder of the term of the former Chairman, Deputy Chairman or Senior Member of the Council whose office is to be filled, and the person appointed shall then hold office accordingly.

- 2.9.1 The Chair will be appointed by the Council having considered the recommendation of a Nominations Committee set up for that purpose, which is normally chaired by the Senior Member. Once the Nominations Committee has been established, members of the Committee will be ineligible to stand as Chair on that occasion. The process should start at least a year before the appointment is due.
- 2.9.2 The Council will approve the criteria to be used, and in the case of a casual vacancy, the term of the appointment.
- 2.9.3 Applications for a new Chair will be invited through public advertisement, setting out the appointment process. The Chair must be a member of the Trust. Short-listed candidates will be selected and interviewed by the Nominations Committee.
- 2.9.4 Members of the Council and staff who are not involved with the appointment process are encouraged to assist in the search for potential candidates for vacant positions.

- 2.9.5 The Nominations Committee will make a recommendation to the Council as to which candidate in its opinion best meets the approved criteria. Following the interview process, the Committee will present a report and recommendations to the Council as to which candidate in its opinion best meets the approved criteria. Reports will include: detail about the selection process followed; detail about the number of applications received and candidates interviewed; and the résumé of the recommended candidate.
- 2.9.6 The Chair will be appointed by secret ballot to be conducted at a meeting of the Council, unless the Council asks for an open vote, or the Chair of the meeting determines an open vote to be appropriate.
- 2.9.7 A Council member who is a candidate will not take part in the debate or the decision, unless the Council otherwise decides.
- 2.9.8 If the Council is not happy with the recommendation of the Nominations Committee, it can ask the Committee to reconsider its recommendation.

## 2.10 Appointment of the Deputy Chair

### 22. Appointment of Chairman, Deputy Chairman *and Senior Member of Council*

- (4) The Chairman and Deputy Chairman *and the Senior Member of the Council* shall hold office for 3 years and shall then retire from office, but shall be eligible for re-appointment.

### 24. Chairman, Deputy Chairman *and Senior Member of Council*. **casual vacancies**

- (1) On a casual vacancy occurring in the office of Chairman or Deputy Chairman *or Senior Member of the Council* the Council shall appoint a person to fill the vacancy.
- (2) Clauses 22(2) and (3) shall apply to any person appointed to fill any casual vacancy in the office of Chairman.
- (3) At the time it makes an appointment under paragraph (1) the Council shall decide whether the appointment is to be for a full three year term or for only the remainder of the term of the former Chairman, Deputy Chairman or Senior Member of the Council whose office is to be filled, and the person appointed shall then hold office accordingly.

- 2.10.1 The Deputy Chair will be appointed by the Council having considered the recommendation of a Nominations Committee set up for that purpose, which is normally chaired by the Senior Member. Once the Nominations Committee has been established, members of the Committee will be ineligible to stand as Deputy Chair on that occasion. The Deputy Chairman will be appointed from amongst the members of the Council. The announcement to the Council of the vacancy will explain clearly the appointment process. Shortlisted candidates will be selected and interviewed by the Nominations Committee.
- 2.10.2 The Council will approve the criteria to be used, and in the case of a casual vacancy, the term of the appointment.
- 2.10.3 The Nominations Committee will make a recommendation to the Council as to which candidate in its opinion best meets the approved criteria.
- 2.10.4 The Deputy Chair will be appointed by secret ballot to be conducted at a meeting of the Council, unless the Council asks for an open vote, or the Chair of the meeting determines an open vote to be appropriate.
- 2.10.5 A Council member who is a candidate will not take part in the debate or the decision, unless the Council otherwise decides.
- 2.10.6 If the Council is not happy with the recommendation of the Nominations Committee, it can ask the Committee to reconsider its recommendation.

## **2.11 Reappointment of the Chair or the Deputy Chair**

- 2.11.1 Both Chair and Deputy Chair are usually appointed for initial terms of three years, with the expectation that if their performance is satisfactory they will normally be asked to serve a second term. Where there has been a gap of less than 23 months between two terms of office, those terms shall be treated as successive.
- 2.11.2 Where a Chair or Deputy Chair is appointed for an initial term of less than 3 years and subsequently completes a second term, the Council will determine whether it is appropriate for the Chair or Deputy Chair to be eligible for reappointment for a further term.
- 2.11.3 Approximately one year before the end of each term the Senior Member, with the help of a Nominations Committee set up for that purpose, will take soundings from the Council and others on the performance of the Chair or Deputy Chair (as the case may be). That process will include a discussion by the Council, chaired by the Senior Member, on the Chair or Deputy Chair's performance. The Chair or Deputy Chair will retire from the meeting during the discussion relating to their respective performance.

2.11.4 The Council will then decide whether it wishes to reappoint the Chair or Deputy Chair or whether it wishes to seek other candidates for the post and to follow the appointment process set out in the previous sections. If the Council decides that it wishes to seek other candidates that does not preclude the Chair or Deputy Chair from standing as a candidate.

2.11.5 The decision as to whether to reappoint the Chair or the Deputy Chair or to seek other candidates will be made by secret ballot to be conducted at a meeting of the Council, unless the Council asks for an open vote, or the Chair of this part of the meeting determines an open vote to be appropriate.

## **2.12 Appointment and reappointment of members of the Board of Trustees**

### **3. Board of Trustees**

- (4) The Board of Trustees shall have a minimum of 9 and a maximum of 15 members, unless –
  - (a) a resolution is passed by the Council and by the Board of Trustees to change the minimum or maximum numbers, or both numbers, and
  - (b) the Commissioners give their approval in writing to such a change.
- (5) The Chairman and Deputy Chairman shall automatically be members of the Board of Trustees.
- (6) All members of the Board of Trustees other than the Chairman and the Deputy Chairman shall be appointed by the Council in accordance with published procedures decided by the Council.
- (7) In addition to the Chairman and the Deputy Chairman, at least two Trustees appointed by the Council shall also be members of the Council.
- (8) Except as provided by paragraph (10) below every member of the Board of Trustees shall be appointed for three years, and retiring members shall be eligible for re-appointment.
- (9) The Council shall exercise its powers with the object of ensuring that, so far as is practicable, the terms of office of approximately one third of the members of the Board of Trustees expire every year.
- (10) The Council may, exceptionally, appoint a member of the Board of Trustees for a term of less than three years where this is necessary to achieve the object referred to in paragraph (9) above.

## **General**

- 2.12.1 The Council oversees the arrangements for the appointment, or reappointment, of members of the Board of Trustees. The process will aim to ensure that the Trust always has a 'well-rounded' Board of Trustees, collectively demonstrating the required combination of skills, expertise, knowledge, experience, perspective, personal qualities and background necessary for the successful operation of the organisation. Trustees will also be expected to be able to satisfy the time commitment required by the position.
- 2.12.2 A Nominations Committee will be put in place by the Council to assist it with this process. Each time the Council sets up a Nominations Committee, the Council will decide on the term for this new Nominations Committee. The table at [2.12.23](#) sets out the respective responsibilities of the Council and the Nominations Committee.

## **Tenure**

- 2.12.3 A Trustee may normally expect to serve two terms of office of three years, making six years in total, if their performance is deemed to be satisfactory.
- 2.12.4 If a casual vacancy occurs among the members of the Board of Trustees the Council may opt to appoint a person to serve the remainder of the term of office of that Trustee. If the remaining term of office is one year or less, there will be a presumption that the Trustee may be reappointed for two further terms, subject to their performance being deemed to be satisfactory.

## **New appointments**

- 2.12.5 Trustees, members of the Council and staff who are not involved with the appointment process are encouraged to assist in the search for potential candidates for vacant positions.
- 2.12.6 The Nominations Committee will recommend to the Council the criteria which will be used to assess candidates for available positions on the Board of Trustees. As part of this process, the Committee may take soundings from members of the Council, the Chair/Deputy Chair, the Director-General and such other parties as it considers helpful. On the completion of these consultations, the criteria to be used by the Committee will be formally approved by Council.

- 2.12.7 The appointment process will ensure that there is always a minimum of four Council members on the Board including the Chair and Deputy Chair. Trustees are appointed for a three-year term, except where a Trustee is appointed in accordance with clause 3 (10) of the Scheme, or to fill a casual vacancy.
- 2.12.8 The situation may arise where a member of the Council who is appointed as a Trustee leaves the Council before the end of their current term on the Board of Trustees. In such a case, the individual is entitled, should they wish to do so, to complete their current term as a Trustee. To maintain the requisite minimum number of Council members on the Board the Council may make one or more further appointments to the Board of Trustees up to the maximum limit of fifteen members. To maintain the requisite minimum number of Council members on the Board, the Council also has the power to remove one or more Trustees (Clause 6 of the Scheme) e.g. when the Board already consists of fifteen members.
- 2.12.9 Nominations for new Trustees – either from Council or from elsewhere – will normally be invited only if:
- an existing Trustee coming to the end of their first three-year term of office decides that they do not wish to be re-appointed, thus creating a vacancy
  - an existing Trustee comes to the end of their second three-year term of office on the Board of Trustees (unless exceptional circumstances warrant an additional reappointment period)
  - the performance of an existing Trustee is judged not to be satisfactory
  - the Council decides that the balance between Council members and non-Council members on the Board of Trustees should be adjusted
  - the Council decides to increase the number of Trustees on the Board
  - the Council, having taken advice from the Nominations Committee, decides that the balance of skills on the Board of Trustees requires adjustment, or it needs to be refreshed
- 2.12.10 When the Council decides that applications for new non-Council members of the Board of Trustees are to be invited, this will normally be done through public advertisement and search, setting out the appointment process and the selection criteria.

- 2.12.11 The Council is required to ensure, as far as is practicable, that the terms of office of approximately one-third of the members of the Board of Trustees come to an end each year. In order to effect this equation, the Nominations Committee may recommend to the Council that a Trustee is appointed for a term of one or two years.
- 2.12.12 Where, in any particular year, there is more than one place on the Board of Trustees to be filled, the Nominations Committee will recommend to the Council a group, or 'slate', of candidates. In making its recommendation, the Committee will analyse any 'gap' which exists on the Board of Trustees and recommend the candidates who, taken together, are considered the best combination to fill that gap.
- 2.12.13 Short-listed candidates for any vacancy on the Board of Trustees will be selected and interviewed by the Committee. Following the interview process, the Committee will present a report and recommendations to the Council as to which candidate or candidates in its opinion best meet the approved criteria. Reports will include: confirmation of any year-specific criteria agreed by the Council; detail about the selection process followed; detail about the number of applications received and candidates interviewed; and résumés of each of the recommended candidates.
- 2.12.14 The decision whether or not to approve the Committee's recommendations will be taken by secret ballot to be conducted at a meeting of the Council, unless the Council asks for an open vote, or the Chair of the meeting determines an open vote to be appropriate.
- 2.12.15 A Council member who is a candidate may take part in the debate prior to the ballot and can vote in the ballot.
- 2.12.16 If the Council is not happy with the recommendation of the Nominations Committee, it can ask the Committee to reconsider its recommendation. The final decision will be made by the Council.

### **Reappointments**

- 2.12.17 Trustees are usually appointed for an initial term of three years, with the expectation that if their performance is satisfactory they will normally be asked to serve a second term.

2.12.18 A Trustee may be considered for appointment to serve a third term if exceptional circumstances demonstrate a strong case for this. In such circumstances, the Nominations Committee will undertake additional consideration of the issue to assess whether such an appointment would be appropriate and justified. Where the Committee is minded to consider recommending a Trustee for a third term, it will consult the Council in advance on the principle of making such a recommendation.

2.12.19 Where a Trustee is appointed for an initial term of less than 3 years there will be a presumption that the Trustee may be reappointed for two further terms, subject to their performance being deemed to be satisfactory.

2.12.20 The Nominations Committee will use a review system to assess the performance of those Trustees whose term of office is coming to an end in the year in question for the purpose of informing its recommendations on reappointments. Approximately one year before the end of each term the chair of the Committee will take soundings from the Chair, Director General and others as appropriate on the performance of the Trustee standing for reappointment.

2.12.21 The decision whether or not to approve the Committee's recommendations will be taken by secret ballot to be conducted at a meeting of the Council, unless the Council asks for an open vote, or the Chair of the meeting determines an open vote to be appropriate.

2.12.22 A Council member Trustee who is standing for reappointment will be expected to leave the room prior to the debate but may vote in the ballot.

2.12.23 Table: The respective responsibilities of the Nominations Committee and the Council for the process for the appointment of Trustees

<b>The Nominations Committee:</b>	<b>The Council:</b>
	<ul style="list-style-type: none"> <li>Appoints the members of the Nominations Committee and decides on the term for the Committee.</li> </ul>
<ul style="list-style-type: none"> <li>Selects the chair of the Nominations Committee.</li> </ul>	
<ul style="list-style-type: none"> <li>Reviews the contributions of Trustees whose terms are coming to an end to inform recommendations about reappointments.</li> </ul>	<ul style="list-style-type: none"> <li>Decides whether Trustees should be appointed for second terms or, in exceptional circumstances, additional terms.</li> </ul>
<ul style="list-style-type: none"> <li>Proposes the criteria to be used for assessment, taking soundings from the Council, Director-General and other parties as considered to be helpful.</li> </ul>	<ul style="list-style-type: none"> <li>Having received recommendations from the Nominations Committee, decides on the appointment criteria to be used.</li> </ul>

<ul style="list-style-type: none"> <li>• Consults the Council about whether it should consider making recommendations for exceptional terms.</li> </ul>	<ul style="list-style-type: none"> <li>• Decides whether exceptional circumstances exist and thus whether exceptional terms should be considered.</li> </ul>
<ul style="list-style-type: none"> <li>• Proposes the number of Trustees to be appointed having first taken soundings from the Council, the Chair, Deputy Chair and other parties considered helpful by the Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Decides on the number of Trustees to be appointed and whether this includes non-Council members.</li> </ul>
<ul style="list-style-type: none"> <li>• Uses public advertisements to invite applications for new non-Council Trustees and – if relevant – appoints a search agency to undertake a search for suitable candidates.</li> </ul>	
<ul style="list-style-type: none"> <li>• Shortlists candidates and interviews them.</li> </ul>	
<ul style="list-style-type: none"> <li>• Presents appointment recommendations to the Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Decides which candidates to appoint.</li> </ul>

## 2.13 Election of members of the Council

### 16. Elected members of Council

- (1) The Council shall make arrangements for the holding each year of elections of persons who are to be elected members in accordance with this scheme.
- (2) The Council shall each year after consulting with a Nominations Committee appointed in accordance with clause 27 draw up criteria to be applied in assessing candidates for election to the Council.
- (3) The Council shall publish the criteria referred to in paragraph (2) above in such manner as the Council may from time to time consider appropriate, and shall on request supply a copy of those criteria to any prospective candidate or any member of the Charity.
- (4) The Nominations Committee shall publish recommendations to members as to which candidates, in the opinion of the Nominations Committee, best satisfy the criteria for the time being drawn up under paragraph (2) above.
- (5) The arrangements made by the Council under paragraph (1) above shall in particular include arrangements for:
  - (a) the giving of notice of elections and for specifying the closing date for voting;
  - (b) the nomination of candidates;
  - (c) the provision of information by candidates; and
  - (d) the conduct of voting.

- (6) The arrangements made under paragraph (1) above shall permit every member of the Charity who is eligible to vote to vote by postal voting, and may permit such members, as an alternative to postal voting, to vote electronically.
- (7) For the purposes of paragraph (6) above a member is eligible to vote if he or she has been a member throughout the 70 days immediately preceding the published closing date for voting.
- (8) The procedures laid down by paragraphs (1) to (7) above may be amended by a resolution passed by the Council, by the Board of Trustees, and by the members of the Charity in general meeting.

2.13.1 Each year applications for Council membership will be invited through public advertisement, setting out the election process. A ballot will be held each year to fill any vacancies on the Council. The arrangements made by the Council for the elections will include provision for agreed information about candidates to be made available to voting members of the National Trust. In the interests of fairness between candidates, candidates should not seek additional methods of publicising their candidature.

2.13.2 Each year the Council will set up a Nominations Committee to make recommendations to the members of the National Trust for the election of members of the Council. The Council will approve the criteria to be used by the Nominations Committee. The table at [2.13.11](#) sets out the respective responsibilities of the Council and of the Nominations Committee.

2.13.3 Once a person has been appointed to this Nominations Committee, they may not stand for election to the Council in the year in question.

2.13.4 The Nominations Committee will recommend to the members of the National Trust which of the candidates standing for election it believes would make the most suitable members of the Council. In making its recommendations the Committee will take into account the knowledge, skills and experience of the candidates and the particular areas in which the Council would benefit from a stronger presence of such attributes in the work of the Council.

The Nominations Committee should recognise that the membership of the Council should reflect the breadth and depth of the Trust's work, a wide range of perspectives and the broad spectrum of those with an interest in, and a connection to, the Trust's work.

It should also bear in mind the need to include enough people with the right background, skills, experience and time to become members of the Board of Trustees.

- 2.13.5 The Nominations Committee will consider whether its list of recommended candidates should reflect the current number of vacancies on the Council or whether a smaller or larger number might be appropriate. The number of recommended candidates will normally match the number of expected vacancies on the Council.
- 2.13.6 The Nominations Committee will only consider candidates for whom a valid application form has been received at the published address by the published closing date. Short-listed candidates will be selected and interviewed by the Nominations Committee. If a short-listed candidate declines to be interviewed, this fact should be recorded in the voting papers.
- 2.13.7 The Nominations Committee makes recommendations to the members of the Trust. It will, however, present a report on its recommendations to a meeting of the Council for discussion before presenting these recommendations to the members of the National Trust.
- 2.13.8 The AGM papers should make clear which candidates are recommended by the Nominations Committee but the names of those candidates shall not be identified on the voting forms circulated to members.
- 2.13.9 Unless the Council determines otherwise, the papers for the election will be circulated to the members of the National Trust with the formal paperwork for the Annual General Meeting, and the results of the election will be announced at the Annual General Meeting.
- 2.13.10 In the event of further unexpected election vacancies occurring among the Council membership after the Nominations Committee has reported to the Council on its recommendations, the Committee will not recommend any additional candidates.
- 2.13.11 Table: The respective responsibilities of the Nominations Committee and the Council for the process for the election of members of the Council

<b>The Nominations Committee:</b>	<b>The Council:</b>
	<ul style="list-style-type: none"> <li>• appoints members of Nominations Committee</li> </ul>
	<ul style="list-style-type: none"> <li>• sets terms of reference for the Nominations Committee (by reference to the Governance Handbook, with such additional stipulations as it considers fit)</li> </ul>
<ul style="list-style-type: none"> <li>• selects chair of Nominations Committee</li> </ul>	

<ul style="list-style-type: none"> <li>• considers current information on skills for the Council and proposes criteria to be used for assessment (incorporating both ongoing and year-specific criteria)</li> </ul>	<ul style="list-style-type: none"> <li>• decides on the criteria to be used</li> </ul>
<ul style="list-style-type: none"> <li>• proposes closing date for applications, approximate timing of advertisement, requirements for valid nomination of candidates, and information to be provided by candidates</li> </ul>	<ul style="list-style-type: none"> <li>• decides closing date for applications, approximate timing of advertisement, requirements for valid nomination of candidates, and information to be provided by candidates</li> </ul>
<ul style="list-style-type: none"> <li>• decides form of advertisement (and where it is to appear)</li> </ul>	
<ul style="list-style-type: none"> <li>• decides timetable for, and format of, interviews</li> </ul>	
<ul style="list-style-type: none"> <li>• proposes closing date for voting</li> </ul>	<ul style="list-style-type: none"> <li>• decides closing date for voting</li> </ul>
<ul style="list-style-type: none"> <li>• proposes outline format for the information about the election which is to be sent to members of the Trust</li> </ul>	<ul style="list-style-type: none"> <li>• decides outline format for the information about the election which is to be sent to members of the Trust</li> </ul>
<ul style="list-style-type: none"> <li>• proposes outline format for the voting forms</li> </ul>	<ul style="list-style-type: none"> <li>• decides outline format for the voting forms</li> </ul>
<ul style="list-style-type: none"> <li>• decides shortlist of candidates</li> </ul>	
<ul style="list-style-type: none"> <li>• interviews shortlisted candidates</li> </ul>	
<ul style="list-style-type: none"> <li>• decides which candidates to recommend to members</li> </ul>	
<ul style="list-style-type: none"> <li>• prepares paper for the Council reporting on recommendations to be put to members of the National Trust</li> </ul>	<ul style="list-style-type: none"> <li>• notes recommendations to be put to members</li> </ul>
	<ul style="list-style-type: none"> <li>• Chair of the National Trust approves detailed layout of information for members and voting forms</li> </ul>

## 2.14 Review of the Appointing Bodies of the Council

### **17. Appointed members of Council**

- (1) *The bodies and persons named in part 3 of the Schedule as changed by any review carried out in accordance with clause 18 of this scheme may each appoint a member of the Council.*
- (2) *The bodies named in part 4 of the Schedule as changed by any review carried out in accordance with clause 18 of this scheme may jointly appoint a member of the Council and in default of agreement between those bodies the majority of them may make the appointment.*
- (3) *For the purposes of clause 18 the bodies listed in part 4 of the Schedule as changed by any review carried out in accordance with clause 18 of this scheme shall be treated as a single body.*

### **18. Review of appointing bodies**

- (1) In this clause:
  - “review” means a review carried out in accordance with this clause; and
  - “review year” means 2006 and thereafter every sixth year after that.
- (2) The Council shall carry out a review of the appointing bodies before the 31st December in every review year.
- (3) In the course of a review the Council shall carry out such consultation as it thinks appropriate of members of the Charity and any other person or body as to what changes might be made to the list of appointing bodies.
- (4) A Nominations Committee appointed in accordance with clause 27 shall review the results of the consultation and shall then make recommendations to the Council as to:
  - (a) which bodies (“the candidate bodies”) should be included in the ballot paper to be issued to members of the Charity; and
  - (b) which 18 of the candidate bodies would, in the opinion of the Nominations Committee, be most suited to being included in the revised list of appointing bodies.
- (5) The Council shall on the occasion of each review make arrangements for a ballot of members of the Charity to be held on possible changes to the list of appointing bodies.
- (6) The arrangements made under this clause shall permit every member who is eligible to vote to vote by postal voting, and may permit such members, as an alternative to postal voting, to vote electronically.
- (7) For the purposes of paragraph (6) above a member is eligible to vote if he or she has been a member throughout the 70 days immediately preceding the published closing date for the ballot.
- (8) The arrangements made under this clause shall specify the date (“the review

date”) from which any change to the list of appointing bodies is to have effect. The review date must be a date on or after the results of the review are published, but not later than the end of the review year.

- (9) The Council shall decide, having regard to the recommendations of the Nominations Committee:
  - (a) which candidate bodies shall be included on the ballot paper drawn up for the purposes of the ballot; and
  - (b) what recommendations shall be made to members as to which 18 of those bodies are most suitable to be appointing bodies.
- (10) The 18 candidate bodies which secure the highest number of votes in the ballot shall be appointing bodies with effect from the review date.
- (11) The procedures laid down by paragraphs (1) to (10) above may be amended by a resolution passed by the Council, by the Board of Trustees, and by the members of the Charity in general meeting

2.14.1 In 2012, and every sixth year thereafter, the members of the National Trust will be asked to decide by ballot which 18 bodies they consider to be best suited for inclusion on the list of bodies which appoint members of the Council (‘the Appointing Bodies’).

2.14.2 Unless the Council decides otherwise, the papers for the ballot will be circulated to the members of the National Trust with the formal paperwork for the Annual General Meeting, and the results of the ballot will be announced at the Annual General Meeting.

2.14.3 Every sixth year the Council will set up a Nominations Committee to assist it in the review of the Appointing Bodies. No appointed member of the Council may be a member of this Committee.

The review process should start at least a year before the members of the Trust are asked to decide on the list of Appointing Bodies.

2.14.4 The main responsibilities of this Committee will be to:

- be responsible to the Council for ensuring that the review process allows for wide consultation
- prepare the timetable for the review of the list of Appointing Bodies
- review and recommend to the Council the criteria for identifying potential Appointing Bodies
- scope any background research for the review

- advertise in the Trust's magazine, on the website and elsewhere, as considered appropriate, to inform members, supporters and others of the review and to invite suggestions for possible changes to the list of Appointing Bodies
- establish whether suggested bodies are willing to be chosen and would be able to provide a suitable Council member
- recommend to the Council which of the various bodies mentioned during the consultation have objectives sufficiently relevant to the work of the Trust to justify their being included on the list from which members will select 18; and which 18 bodies would be the ones most suited to being included on the list of Appointing Bodies for the next six years
- provide advice on how the Appointing Bodies might select the people they appoint as a member of the Council

2.14.5 The Nominations Committee will present a report on its recommendations to a meeting of the Council. If the Council is not happy with the Committee's recommendations, it can ask the Committee to reconsider them.

2.14.6 It is for the Council to make the final decision as to which bodies should be included on the ballot paper sent to the members of the Trust. It is also for the Council to decide what recommendation to make to members of the Trust as to which it considers to be the 18 bodies from the list which are likely to be best placed to appoint to the Council people who will make a full contribution to the Council's work.

2.14.7 The selection of the Appointing Bodies for inclusion in the ballot paper to be sent to the members of the Trust and the Appointing Bodies to be recommended will be by secret ballot to be conducted at a meeting of the Council, unless the Council determines otherwise, or the Chair determines an open vote to be appropriate. All members of the Council present at the meeting, including those who have been nominated by the existing Appointing Bodies, may take part in the discussion and vote.

2.14.8 The members of the National Trust will make the final decision on which of the candidate bodies on the ballot paper should become the new Appointing Bodies.

## **2.15 Termination of governance appointments**

2.15.1 The mechanisms for terminating the appointments of the Chair, Deputy Chair, Senior Member and members of the Board of Trustees are described in the sections which relate to those posts.

2.15.2 A chair or member of a committee of the Board of Trustees or of a committee of the Council, or of any sub-committee of any of those committees, may be removed at any time by the person or body entitled to make an appointment to that committee or sub-committee.

# Section 3 - Assisting the Board of Trustees

### 3.1 The committees of the Board of Trustees

#### 12. Establishment of committees

- (1) The Board of Trustees may from time to time establish and dissolve committees.
- (2) A committee established under this clause:
  - (a) may consist of one or more persons
  - (b) may include persons who are not members of the Board of Trustees, and
  - (c) must include at least one member of the Board of Trustees.
- (3) The Board of Trustees may delegate any of its functions to any committee established under this clause.
- (4) A committee established under this clause shall report to the Board of Trustees in accordance with any instructions given by the Board of Trustees under clause 43.
- (5) A committee established under this clause shall keep a proper record of its proceedings

3.1.1 The Board of Trustees has the following standing committees:

Audit

Investment

Senior Management Remuneration

3.1.2 The Board of Trustees may establish other ad hoc committees or groups as the need arises.

3.1.3 The Board of Trustees has established a mechanism for making decisions between meetings; this is set out in the annex to [Appendix F](#).

3.1.4 The performance of the committees of the Board of Trustees will be periodically reviewed.

# Audit Committee

## 3.2 Role

3.2.1 The Audit Committee is appointed by the Board of Trustees to assist the Board of Trustees in discharging its oversight responsibilities. It does this by providing the key link between the Director-General, the Board of Trustees, the risk and assurance function and the external auditors. It also addresses financial reporting, risk management and internal control issues.

3.2.2 Main responsibilities:

- oversee the financial reporting process
- review the effectiveness of
  - the Trust’s risk management, including business risk and operational risk
  - the Trust’s internal control systems
  - the risk and assurance function
  - the external audit process
- oversee the Trust’s whistle-blowing arrangements

3.2.3 Main tasks:

Annual Report and Accounts

- oversee the process implemented by management to produce the Annual Report and Accounts, supported by reports prepared by management, the internal and external auditors and, if appropriate, other external experts
- review the integrity of the Annual Accounts, including consideration of whether they provide a true and fair view of the Trust’s affairs, meet legal requirements, comply with SORP, and take account of best practice
- consider the balance, transparency and integrity of published financial information
- review the key accounting policies and review the judgements about the treatment of unusual items, ensuring that these are appropriate

- recommend the appointment and assess the performance of the external auditor, and monitor the provision of non-audit services by the external auditor

#### Risk management and internal control

- keep under review the effectiveness of the Trust's risk management process, including quarterly reporting on business risks and operational risks
- keep under review the effectiveness of the Trust's internal control systems, through oversight of the work of internal audit
- review the statements to be included in the Trustees' Report concerning risk management, operational risk and internal controls

#### Internal audit

- review the regular reports prepared by the internal audit function in the context of the overall risk management and internal control framework
- review and approve the annual internal audit plan
- review whether the internal audit function has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards
- review management's responsiveness to the findings and recommendations of internal audit
- meet the Risk and Assurance Director and Internal Audit Manager at least twice a year without senior management being present to discuss their remit and any issues arising from internal audit work. In addition the Risk and Assurance Director and Internal Audit Manager should have direct access to the Chair of the Committee at any time
- consider the effectiveness of the internal audit function through the use of internal and external periodic reviews
- review the appropriateness of the Internal Audit Charter and decide any changes to it
- in consultation with the Director-General, and following the advice of the Senior Management Remuneration Committee, the Audit Committee is responsible for the appointment, removal and remuneration of the Director of Risk and Assurance

## External Audit

- consider and make recommendations to the Board of Trustees, to be put to members for approval at the AGM, in relation to the appointment, reappointment and removal of the external auditors
- oversee the selection process for new auditors
- oversee the relationship with the external auditor including approval of their terms of engagement (including a policy on the supply of non-audit services) and remuneration
- review and monitor the external auditor's effectiveness and compliance with relevant professional and regulatory requirements
- review and approve the annual external audit plan
- review the findings of the external auditors and discuss any major issues which arise, any accounting and audit judgements and levels of error identified
- meet the external auditor at least once a year in the absence of management to discuss their remit and any issues arising from the audit and the management's response to the auditor's findings and recommendations
- review the external auditor's independence and objectivity

## Whistle-blowing

- review the arrangements for employees and volunteers to raise concerns in confidence, and consider whether the arrangements allow proportionate and independent investigation of possible wrongdoing and appropriate follow-up action

## Reporting

- make available to the Board of Trustees the minutes of Audit Committee meetings
- the Chair of the Committee to bring important issues to the Board of Trustees' attention, including recommendations for appropriate action to be taken
- prepare any reports required or requested by the Board of Trustees

- prepare an annual report to the Board of Trustees setting out its activities for the year, including its review of risk management, operational risk and internal controls, and recommending that the Annual Report is, in its opinion, suitable for adoption by the Trustees

#### Evaluating performance

- evaluate the committee's own performance on a regular basis and provide for ongoing induction, training and support needs
- The Audit Committee Chair should ensure that new Audit Committee members receive an appropriate induction covering knowledge of the Trust plus the role of the Committee

#### Reviewing its role and responsibilities

- periodically review the Audit Committee role and responsibilities and discuss any required changes with the Board of Trustees

### **3.3 Membership of the Audit Committee**

3.3.1 The presence of suitably qualified members on the Audit Committee is a critical factor in an audit committee's performance. The Committee should be large enough to represent a balance of views and experience, yet small enough to operate efficiently. The Committee will be made up of at least three members of the Board of Trustees, and two other members, at least one of whom will be an external member. The quorum necessary for the transaction of business is three members, including at least one member of the Board of Trustees.

The Chair of the Trust will not sit on the Committee.

3.3.2 The number of years that members serve on an Audit Committee varies. A common term is initially three years, generally with reappointment for a second term, but longer terms are also possible. The Board of Trustees will review succession-planning for membership of committees of the Board and in doing so weigh the following considerations: the appropriate mix of skills and experience and the balance between continuity and freshness.

3.3.3 The Board of Trustees is responsible for appointing the Trustee and non-Trustee members of the Committee.

3.3.4 The core qualities and experience required for membership of the Committee are listed in [Appendix D](#) to the Handbook, and may be modified in particular cases if the Board of Trustees considers that appropriate. At least one

member will be a financial expert who has accounting or related financial expertise.

- 3.3.5 The role of the Chair of the Committee is to act as the focal point for the Committee's relations with the Board of Trustees, senior staff and the internal and external auditors. The Board of Trustees will appoint as Chair one of its members with strong and effective leadership qualities, and the ability to promote effective working relationships among committee members and with others such as management and external and internal auditors.
- 3.3.6 The Chair of the Committee will attend the AGM and be prepared to respond to any questions raised by members on matters within the Committee's area of responsibility.
- 3.3.7 The best balance of skills is normally considered to be achieved by having the roles of chair and financial expert performed by different individuals.
- 3.3.8 In addition to the members of the Audit Committee other participants will include the:
- Risk & Assurance Director, and the Head of Operational Risk, Internal Audit Manager and Business Risk Manager as required
  - Audit Partner from the external auditors
  - Director of Finance
  - Director-General and other senior staff as required

### **3.4 Meetings**

- 3.4.1 The Committee will meet at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required.
- 3.4.2 Decisions will normally be taken on the basis of consensus, and otherwise on the basis of a simple majority of members present and voting at a duly convened meeting. The Chair may cast a second or casting vote only if there is a tied vote.
- 3.4.3 Using its power under clause 43 the Board of Trustees has established a Code of Conduct and Procedures for Meetings which apply to itself and to the Council and other governance bodies. These are set out in [Appendices A and B](#).

# Senior Management Remuneration Committee

## 3.5 Role

3.5.1 The Senior Management Remuneration Committee is appointed by the Board of Trustees to assist the Board of Trustees in discharging its HR responsibilities and to maintain the highest possible standards of corporate governance in this area.

3.5.2 Main responsibilities:

- manage the remuneration and terms of employment of senior managers in the National Trust. The Committee's remit will include the Director-General and all other directors, and may extend to other posts to be recommended by the Director-General
- keep the executive succession plan under review

3.5.3 Main tasks:

- establish and maintain an overall policy for the remuneration of senior managers
- establish and annually review the remuneration of all senior managers in consideration of agreed remuneration policy, individual contribution and the prevailing employment market. The Director-General will make recommendations to the Committee with respect to directors' remuneration. The Chair of the Trust will make recommendations with respect to the Director-General's remuneration
- oversee the pension arrangements for the Director-General, other Directors and other senior staff
- agree the content of service agreements used for the employment of senior managers
- where necessary, agree the terms of any severance arrangements for senior managers
- establish and maintain a succession plan for the Director-General, and review the Director-General's plan for senior managers, to ensure that the Trust maximises its managerial talent and maintains a high-calibre senior managers team. Committee members will be advised of all senior appointments pending and, if possible, and for information, management's chosen candidates prior to formal appointment

- approve the information to be contained within the Annual Report concerning senior management remuneration
- make available to the Board of Trustees an annual report covering all of the Committee's activities

### **3.6 Membership of the Senior Management Remuneration Committee**

3.6.1 The Committee shall be made up of at least three members of the Board of Trustees, and one or two other members, one of whom will be external. The quorum necessary for the transaction of business is three members, including at least two members of the Board of Trustees.

Members of the Senior Management Remuneration Committee and staff who are not involved with the appointment process are encouraged to assist in the search for potential candidates for vacant positions.

3.6.2 All members of the Committee will have experience and skills directly relevant to the work of the Committee.

3.6.3 The Board of Trustees is responsible for appointing the Trustee and non-Trustee members of the Committee.

3.6.4 The Chair or Deputy Chair of the Trust will chair the Committee and both will be members.

3.6.5 The core qualities and experience required for membership of the Committee are listed in Appendix D to the Handbook, and may be modified in particular cases if the Board of Trustees considers that appropriate. At least one member will be an HR expert.

### **3.7 Meetings**

3.7.1 The Committee will meet at least once a year at an appropriate time in the Pay Review cycle and otherwise as required.

3.7.2 Decisions will normally be taken on the basis of consensus, and otherwise on the basis of a simple majority, of members present and voting at a duly convened meeting. The Chair may cast a second or casting vote only if there is a tied vote.

3.7.3 Using its power under clause 43 the Board of Trustees has established a Code of Conduct and Procedures for Meetings which apply to itself and to the Council and other governance bodies. These are set out in [Appendices A](#) and [B](#).

# Investment Committee

## 3.8 Role

3.8.1 The Investment Committee is appointed by the Board of Trustees to assist the Board in its monitoring of the Trust's investments.

3.8.2 Main responsibilities and tasks:

- recommend to the Board of Trustees an appropriate investment strategy and asset allocation model for the Trust's investment portfolios
- monitor the performance of the Trust's external investment managers against the agreed benchmarks
- recommend to the Board of Trustees changes to the fund managers and oversee the selection process for new fund managers
- recommend to the Board of Trustees, at quinquennial intervals, a General Pool income distribution rate based on the Committee's model for long-term sustainable investment returns
- under delegated authority from the Board of Trustees, approve the General Pool distribution rate between these five-yearly updates
- set the annual income distribution rate for the Cash, Short and Endowment Pools
- delegate authority to Treasury staff to alter in-year distribution rates for the Cash and Short Pools in response to money market conditions
- take account, in its decisions and recommendations, of the Trust's socially responsible investment policy
- decide on the list of counterparties and on the counterparty limits and credit ratings for the Trust's management of the Cash Pool
- make available to the Board of Trustees the minutes of meetings and an annual report covering all of the Committee's activities

## 3.9 Membership of the Investment Committee

3.9.1 The Committee should be large enough to represent a balance of views and experience yet small enough to operate efficiently. Members should have knowledge of investment management but should not currently be directly

employed by any of the Trust's fund managers in either an executive or non-executive capacity.

- 3.9.2 The Committee will be made up of at least two members of the Board of Trustees, and at least two other members. The quorum necessary for the transaction of business is half of the membership, or three, whichever is the greater, including at least one member of the Board of Trustees.
- 3.9.3 The Board of Trustees is responsible for appointing the Trustee and non-Trustee members of the Committee.
- 3.9.4 The Board of Trustees will appoint as Chair of the Committee someone (who may or may not be a Trustee) with strong and effective leadership qualities, and the ability to promote effective working relationships among committee members and with others such as management, external auditors and investment managers.
- 3.9.5 The core qualities and experience required for membership of the Committee are listed in [Appendix D](#) to the Handbook, and may be modified in particular cases if the Board of Trustees considers that appropriate.

### **3.10 Meetings**

- 3.10.1 The Committee will meet four times a year at appropriate times in the investment cycle, and otherwise as required.
- 3.10.2 Decisions will normally be taken on the basis of consensus, and otherwise on the basis of a simple majority of members present and voting at a duly convened meeting. The Chair may cast a second or casting vote only if there is a tied vote.
- 3.10.3 Using its power under clause 43 the Board of Trustees has established a Code of Conduct and Procedures for Meetings which apply to itself and to the Council and other governance bodies. These are set out in [Appendices A](#) and [B](#).

# Section 4 - Involving members of the National Trust

## **4.1 Parliamentary Scheme provisions relating to General Meetings**

4.1.1 The following provisions, reproduced from the Parliamentary Scheme, are largely self-explanatory, so no additional commentary is included.

### **31. General Meetings of the Charity**

There shall be two types of general meeting of the Charity:

- (a) annual general meetings; and
- (b) extraordinary general meetings.

### **32. Notice of General Meetings**

- (1) Notice of every general meeting, and the agenda, shall be sent to the members not less than twenty-one days before the meeting.
- (2) The notice shall be in such form and shall be sent in such manner as the Board of Trustees from time to time decides.
- (3) Notwithstanding anything in paragraphs (1) or (2) the notice of an extraordinary general meeting, and the agenda, may, if the Board of Trustees so decides, instead of being sent to members be published not less than twenty-one days before the meeting on the National Trust's website, in a national newspaper and in such other manner (if any) as the Board of Trustees from time to time decides.

### **33. Annual General Meetings**

- (1) The annual general meeting shall be held on such date between 1st September and 31st December each year, at such time and in such place as the Board of Trustees decides.
- (2) The only business which may be dealt with at an annual general meeting is:
  - (a) business which in accordance with the National Trust Acts and this scheme is required or authorised to be dealt with at annual general meetings;
  - (b) a resolution proposed by members in accordance with clause 35 ("a members' resolution"), and notice of which is given in the notice of the meeting; and
  - (c) a resolution proposed by the Board of Trustees, and notice of which is given in the notice of the meeting.

### **34. Report and Accounts**

- (1) At each annual general meeting the Board of Trustees shall present to the meeting a report of the activities of the Charity in the preceding financial year and the accounts of the Charity for that year.
- (2) Copies of the report and accounts shall be available:

- (a) at each annual general meeting; and
- (b) on written application to the Secretary.

### **35. Members' resolutions**

- (1) Subject to paragraph (3) below a notice of a members' resolution to be considered at an annual general meeting shall not be valid unless it:
  - (a) sets out the resolution;
  - (b) is sent to the Secretary so as to be received by him or her not later than the close of business on 1st June (or, if 1st June is not a working day, the first working day after 1st June) in the year of the annual general meeting; and
  - (c) is signed by not less than fifty members who have been members of the Charity since no later than 1st January in the year before the year in which the resolution is submitted of whom five have signed as "proposers" and the others have signed as "supporters".
- (2) For the purposes of paragraph (1)(b) above "working day" means any day other than Saturday, Sunday, or any public holiday.
- (3) If on or before 30th June in the year of the annual general meeting the Board of Trustees and all the proposers agree a modification to the resolution the resolution as so modified shall be treated as a resolution of which valid notice has been given.
- (4) No members' resolution shall be considered by an annual general meeting unless:
  - (a) valid notice has been given; and
  - (b) at the meeting the resolution is formally proposed by one of the proposers and seconded by another proposer.
- (5) Except as mentioned in paragraph (4) above a members' resolution shall not be withdrawn or treated as abandoned unless all the proposers agree in writing.
- (6) The Board of Trustees may refuse to accept a members' resolution if:
  - (a) in the opinion of the Board of Trustees the resolution contains material
    - (i) which is, or might be, defamatory; or
    - (ii) which it would, or might, be otherwise unlawful to publish;
  - (b) in the opinion of the Board of Trustees the resolution or the matter to which it relates has been the subject of a resolution proposed at any general meeting held during the three years preceding the submission of the resolution;
  - (c) in the opinion of the Board of Trustees the subject matter of the resolution is substantially the same as the subject matter of another resolution proposed for the same general meeting and previously

received by the Secretary; or

(d) in the opinion of at least three-quarters of the members of the Board of Trustees the subject matter of the resolution is not relevant to any material extent to the statutory purposes of the Charity.

(7) The members proposing a members' resolution may submit with the notice of the resolution a supporting statement.

(8) Subject to paragraph (9) below the Board of Trustees shall send a copy of any statement submitted under paragraph (7) above to every member of the Charity together with the notice of the annual general meeting at which the resolution is to be proposed.

(9) The Board of Trustees shall not be required to send any statement submitted under paragraph (7) above if:

(a) it is longer than 500 words; or

(b) in the opinion of the Board of Trustees it contains material

(i) which is, or might be, defamatory; or

(ii) which it would, or might, be otherwise unlawful to publish.

(10) The Board of Trustees may itself send a statement commenting on the resolution to every member of the Charity together with the notice of the meeting at which the resolution is to be proposed and may include in such a statement a recommendation to the members as to the manner in which they should cast their votes.

4.1.2 Members' resolutions are an indication of members' views, of which the Board of Trustees will take account, but are not binding on the Trustees.

4.1.3 Any issues raised by members at the Annual General Meeting will be responded to at that meeting or through The Secretary.

### **36. Extraordinary General Meetings**

(1) The Board of Trustees may convene an extraordinary general meeting whenever it thinks fit.

(2) The Board of Trustees shall within 70 days of receiving a valid requisition to do so send out or publish a notice to convene an extraordinary general meeting.

(3) A requisition is valid if:

(a) it is signed by not less than one percent of the members of the Charity;

(b) it is delivered to the Secretary; and

(c) it specifies the object of the proposed extraordinary general meeting.

- (4) For the purposes of paragraph (3)(a) above:
- (a) signatories must have been members of the Charity since no later than 1st January in the year before the year in which the requisition is delivered to the Secretary; and
  - (b) the number of members of the Charity shall be deemed to be the number stated in the last annual report published before the date upon which the requisition is delivered to the Secretary.
- (5) If the Board of Trustees does not, within 70 days of receiving a valid requisition, send out or publish a notice to convene an extraordinary general meeting, the requisitionists may convene an extraordinary general meeting.
- (6) The only business which may be dealt with at an extraordinary general meeting is business of which notice has been given in the notice convening the meeting.
- (7) Any meeting convened by the Board of Trustees in response to a valid requisition shall take place on such date as the Board of Trustees decides, but that date shall not be later than:
- (a) (if the requisition is received 180 days or more before the planned date of the next annual general meeting): the date of the next annual general meeting; or
  - (b) (if the requisition is received less than 180 days before the planned date of the next annual general meeting): the date one year after the requisition is received.
- (8) Notwithstanding anything in paragraphs (1) to (7) a requisition shall be deemed not to be a valid requisition if:
- (a) in the opinion of the Board of Trustees the object of the proposed extraordinary general meeting as specified in the requisition, or the matter to which the object relates
    - (i) has been the subject of a resolution proposed at any general meeting held during the three years preceding the receipt by the Secretary of the requisition, or
    - (ii) has been the subject of an extraordinary general meeting during that period, or
  - (b) in the opinion of the Board of Trustees the subject matter of the proposed extraordinary general meeting is substantially the same as
    - (i) the subject matter of a members' resolution of which valid notice has previously been received by the Secretary and which is due to be considered at the next annual general meeting, or
    - (ii) the subject matter of any proposed extraordinary general meeting for which a valid requisition has previously been received by the Secretary, or
  - (c) in the opinion of at least three-quarters of the members of the Board of Trustees the object of the proposed extraordinary general meeting is

not relevant to any material extent to the statutory purposes of the Charity.

### **37. Quorum for general meetings**

- (1) One hundred members of the Charity present in person or by proxy shall form a quorum for a general meeting.
- (2) If within one hour after the time appointed for an annual general meeting a quorum is not present the only business which may be dealt with is the consideration of the report of the Board of Trustees and the accounts, and the election of the auditors.
- (3) If within one hour after the time appointed for an extraordinary general meeting a quorum is not present the meeting shall be abandoned.

### **38. Chairman of general meetings**

- (1) If the Chairman is present at a general meeting he or she shall chair the meeting. If he or she is not present, the Deputy Chairman shall do so. If neither the Chairman nor the Deputy Chairman is present at the meeting, the members of the Charity present at the meeting shall elect one of their number to act as chairman of the meeting.
- (2) If the votes at any general meeting are equally divided the chairman of the meeting shall have, as well as his or her own vote, a second or casting vote.

### **39. Adjournment of general meetings**

- (1) The chairman of any general meeting may with the consent of the meeting adjourn the meeting to another time and to the same or another place.
- (2) The only business which may be transacted at a meeting adjourned in accordance with paragraph (1) above shall be:
  - (a) the business which was left undisposed of at the meeting at which the adjournment took place; and
  - (b) business of which a notice and agenda have been given to members as provided for in clause 32.

### **40. Voting**

- (1) At every general meeting all matters which fall to be decided at the meeting shall be decided by a majority of the votes of the members of the Charity present in person, and voting by show of hands unless a poll is demanded in accordance with paragraph (2) below.
- (2) At a general meeting a poll may be demanded in respect of any proposed resolution by:
  - (a) the chairman of the meeting, if he or she considers that the show of hands does not accurately reflect the views of those members who are not present in person but have appointed proxies; or
  - (b) not less than ten members present in person at the meeting.

- (3) If a poll is demanded in accordance with paragraph (2) above the matter for decision shall be decided by a majority of the votes of the members present in person or by proxy and voting.
- (4) At a general meeting any member who has been a member throughout the 70 days immediately preceding the meeting may vote. Each such member has one vote.
- (5) Members may vote:
  - (a) in person at the meeting; or
  - (b) by proxy using such proxy form as the Board of Trustees shall have provided for use at that meeting.
- (6) The Board of Trustees shall provide for each general meeting a written proxy form for use at that meeting. The Board of Trustees may in addition provide members with the alternative of using an electronic proxy form.
- (7) References in this scheme to a “proxy form” include either or both of the alternatives provided in accordance with paragraph (6) above.
- (8) No-one may vote as a proxy unless the completed proxy form is received by the Secretary not less than seven days before the day appointed for holding the meeting at which the proxy is to be used.
- (9) The fact that one or more members of the Charity has not or have not received a proxy form does not invalidate the vote on any resolution.

#### **41. Chairman’s decision final**

Except where this scheme provides otherwise any direction or decision by the chairman of a general meeting as to the conduct of the meeting, or on any question of procedure or point of order, shall be final.

#### **42. Amendment to procedures for general meetings**

The Board of Trustees by resolution and the members of the Charity by resolution in general meeting may from time to time agree to replace the provisions set out in this scheme relating to general meetings with new or amended provisions.

## **4.2 Subscription and membership categories**

- 4.2.1 The following self-explanatory provisions are reproduced from the National Trust Acts 1953 and 1971.

## 4.2.2 Subscriptions

### **The National Trust Act 1953**

#### **3. Subscriptions of ordinary subscribing members**

- (1) The Board of Trustees may by resolution from time to time determine the minimum amount of the annual subscription required for qualification as an ordinary subscribing member of the National Trust and as from the coming into operation of the first such resolution as aforesaid paragraph (A) of section 14 (Constitution of National Trust) of the Act of 1907 is hereby repealed.
- (2) Nothing in the last foregoing subsection shall affect the status of a person as an ordinary subscribing member of the National Trust during the currency of an annual subscription of his (whether paid before or after the repeal effected by the last foregoing subsection) if at the time when the subscription was paid it was not less than the minimum annual subscription then required for qualification as an ordinary subscribing member.

## 4.2.3 Membership categories

### **The National Trust Act 1971**

#### **4. Constitution of National Trust**

- (1) The members of the National Trust shall be divided into the following classes-
  - (a) ordinary subscribing members;
  - (b) life members;
  - (c) benefactors;
  - (d) corporate members;
  - (e) junior members;
  - (f) family members;
  - (g) such other classes as the Board of Trustees may from time to time by resolution determine.
- (2) Ordinary subscribing members shall be annual subscribers to the funds of the National Trust of such minimum annual subscription as may from time to time be determined by the Board of Trustees in accordance with section 3 (Subscriptions of ordinary subscribing members) of the Act of 1953.
- (3) Life members shall be persons who have made to the funds of the National Trust a subscription of not less than such minimum amount as at the time when the subscription was made had been determined by

resolution of the Board of Trustees.

- (4) Benefactors shall be persons who have given to the National Trust such sum of money or other property as, in the opinion of the Board of Trustees, is such as to entitle such persons to be distinguished as benefactors.
- (5) Corporate members shall be such corporate or other bodies or associations as the Board of Trustees may from time to time by resolution determine who make annual subscriptions to the funds of the National Trust of such minimum amount as the Board of Trustees may by resolution from time to time determine. The Board of Trustees may from time to time by resolution determine different minimum annual subscriptions for different classes of corporate members.
- (6) Junior members shall be annual subscribers to the funds of the National Trust of such minimum annual subscription and of such an age as the Board of Trustees may from time to time by resolution determine.
- (7) Family members shall be persons who are members of the family of an ordinary subscribing member residing with such member and who make to the funds of the National Trust an annual subscription of such minimum amount as the Board of Trustees may from time to time by resolution determine.

#### 4.2.4 Current categories of membership are:

- Child (under 13)
- Junior (13-25)
- Senior
- Additional Senior
- Individual
- Additional
- Family One Adult
- Family Group
- Senior Life
- Joint Senior Life
- Life
- Joint Life
- Joint Family Life
- Educational Group under 50 pupils
- Educational Group 51-100 pupils
- Educational Group 101-200 pupils
- Educational Group 201-500 pupils
- Educational Group over 500 pupils
- Educational Group membership – Tertiary/Field Study
- Benefactor (discontinued but still honoured)
- Patron
- Honorary (discontinued but still honoured)

4.2.5 Members of staff can be members of the Trust. Normally there should be a gap of 23 months between a member of staff leaving the Trust and becoming a governance volunteer. The final decision should rest with the relevant governance body chair, having first taken advice from The Secretary.

### 4.3 Accounts

4.3.1 Sections 20 to 21 of the National Trust Act 1971 set out some specific information, in addition to that required by the general law on charity accounts, which must be included in the accounts which are presented to the Annual General Meeting. Section 22 of the Act provides for the Annual General Meeting to elect the Trust's auditor.

#### **The National Trust Act 1971**

##### **sections 20 to 22, accounts**

20.(1) The National Trust shall cause to be kept proper books of account with respect to-

- (a) all sums of money received and expended by the National Trust and the matters in respect of which the receipt and expenditure take place;
- (b) all purchases and sales of property by the National Trust;
- (c) the assets and liabilities of the National Trust;

(2) For the purpose of the foregoing subsection, proper books of account shall not be deemed to be kept with respect to the matters aforesaid if there are not kept such books as are necessary to give a true and fair view of the state of the affairs of the National Trust and to explain its transactions.

21.(1) The accounts to be laid before an ordinary meeting shall include-

- (a) one or more statements dealing with the income and expenditure of and with all other movements on funds of the National Trust and, so far as practicable, of trusts administered by the National Trust, for the preceding year; and
- (b) one or more statements dealing with the funds, assets and liabilities of the National Trust and, so far as practicable, of trusts administered by the National Trust, as at the end of the preceding year (hereinafter referred to as "the accounting date").

(2) The accounts shall give a true and fair view of the state of affairs of the National Trust at the end of the year and of its transactions for the year:

Provided that-

- (i) it shall not be necessary to place any value on inalienable property or on other property or personal chattels held in trust, or acquired by the National Trust for preservation;
- (ii) it shall not be necessary to take account of any obligation for the future

maintenance of property held by the National Trust for preservation.

(3) In any accounts of the National Trust laid before an ordinary meeting, or in a statement annexed thereto, there shall be shown-

- (a) such annual amounts as are paid in accordance with clause 30(2) of the scheme dated 12th January 2005 (and implemented by The Charities (National Trust) Order 2005),
- (b) [see footnote] 1
- (c) by reference to each pair of adjacent points on a scale whereon the lowest point and the succeeding points are the same as the lowest point and the succeeding ones on the scale prescribed by section 8 of the Companies Act 1967, the number (if any) of persons in the employment of the National Trust whose annual rate of remuneration exceeded the lower point but did not exceed the higher;
- (d) where practicable the estimated amount, if it is material, of contracts for capital expenditure so far as not provided for;
- (e) the extent to which any items shown in the statement of transactions are materially affected-
  - (i) by transactions of a sort not usually undertaken by a charity having objects similar to those of the National Trust or otherwise of an exceptional or non-recurrent nature; or
  - (ii) by any change in the basis of accounting;
- (f) if the aggregate amount of loans, other than bank loans or overdrafts, made to the National Trust, which are repayable otherwise than by instalments and fall due for repayment after the expiration of five years from the accounting date, or which are repayable by instalments any of which fall due for payment after the expiration of that period, is material, the aggregate amount of such loans and the terms on which each such loan is repayable and the rate at which interest is payable thereon:  
  
Provided that if it is impracticable to specify separately such particulars thereof, it shall be sufficient to give a general indication of the terms on which the loans are repayable and the rates at which interest is payable thereon;
- (g) particulars of property other than personal chattels purchased or otherwise acquired by the National Trust during the preceding year, unless such particulars are given in the report of the Board of Trustees to be laid before the ordinary meeting;
- (h) the amount of revenue deficits on improvements to and provision of amenities for the special trust properties which have been financed from general funds, together with a summary of movements during the year and a note specifying

whether interest or administrative costs have been taken into account in

---

<sup>1</sup> wording shown was substituted for previous sub-sections (a) and (b) by clause 30(3) of Parliamentary Scheme

the movements.

- (4) The accounts shall be approved by the Board of Trustees and signed on their behalf by two members of the Board of Trustees.
- (5) The accounts shall have annexed thereto the report of the auditors, who shall have the right to attend the general meeting to which the accounts are presented.
- (6) For the purposes of this section the expression "personal chattels" has the same meaning as in paragraph (1) (x) of section 55 of the Administration of Estates Act 1925, subject to the omission of the words "used at the death of the intestate" in that paragraph, and "special trust property" means property administered by the National Trust under a trust by which the income of the trust must be applied to that property only.

22. Once at least in every year the accounts of the National Trust shall be examined and audited by an auditor or auditors to be elected annually at the annual general meeting and any previously elected auditor or auditors shall be eligible for re-election:

Provided that a person shall not be qualified to be appointed as an auditor under this section unless he is a member of one or more of the following bodies:-

the Institute of Chartered Accountants in England and Wales;

the Institute of Chartered Accountants of Scotland;

the Association of Certified and Corporate Accountants;

the Institute of Chartered Accountants in Ireland;

any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161 (1) (a) of the Companies Act 1948 by the Secretary of State;

but a Scottish firm may be so appointed if each of the partners is qualified to be so appointed.

# Section 5 - Miscellaneous provisions

## Other scheme clauses

### 5.1 Other scheme clauses

5.1.1 This section sets out clauses from the Parliamentary Scheme not covered elsewhere in the Handbook:

#### 1. Definitions

(1) In this scheme:

“the appointed day” means the day on which this scheme is given effect by an order of the Secretary of State under section 17(2) of the Charities Act 1993;

“appointed member”, in relation to the Council, means a person appointed under clause 17;

“appointing body” means any body or person mentioned in Part 3 or Part 4 of the Schedule to this scheme or any body which becomes an appointing body in accordance with clause 18;

“the Board of Trustees” means the Board of Trustees of the Charity;

“the Chairman”, unless the context otherwise requires, means the chairman of the Charity;

“the Charity” means The National Trust for Places of Historic Interest or Natural Beauty (charity number 205846);

“the Commissioners” means the Charity Commissioners for England and Wales;

“the Council” means the Council of the Charity;

“the Deputy Chairman”, unless the context otherwise requires, means the deputy chairman of the Charity;

“elected member”, in relation to the Council, means a person elected under clause 16;

“the National Trust Acts” means the National Trust Acts 1907 to 1971;

“the new constitution date” means the later of 1st September 2005 and the date 2 months after that on which this scheme is given effect by an order of the Secretary of State under section 17(2) of the Charities Act 1993;

“the Secretary” means the Secretary of the Charity.

(2) For the purposes of this scheme, a person is external to the Charity if that person –

(a) is not a member of the Board of Trustees or the Council

(b) has not been a member of any such body within the previous three

years;

(c) is not, and has not been within the previous three years, an employee of the Charity, and

(d) is not the spouse, parent or child of a person falling within any of subparagraphs (a), (b) or (c) above.

(3) For the purposes of paragraph (2) above –

(a) “child” includes a stepchild and an illegitimate child;

(b) a person living with another as that person’s husband, wife or long term partner shall be treated as that person’s spouse; and

(c) the fact that a person is a member of the Charity does not preclude that person from being external to the Charity.

(4) Unless the context requires otherwise, references in this scheme, or in the Schedule to this scheme, to clauses refer to the relevant numbered clause of this scheme.

## **2. Administration**

(1) From the appointed day until the new constitution date the Charity shall be administered in accordance with the provisions of the National Trust Acts as modified by the transitional provisions set out in Part 1 of the Schedule to this scheme.

(2) From the new constitution date the Charity shall be administered in accordance with the provisions of the National Trust Acts as modified by this scheme.

(3) The provisions of the National Trust Acts set out in Part 2 of the Schedule to this scheme shall cease to have effect on the new constitution date.

(4) As from the new constitution date all powers and duties conferred on the Council by any provision of the National Trust Acts for the time being in force shall become powers and duties of the Board of Trustees.

(5) During a transitional period provided for in Part 5 of the Schedule to this scheme the Charity shall be administered in accordance with clauses 2(2) to 4 as modified by the provisions in that Part 5.

## **29. Vacancies and irregularities**

The acts and proceedings of the Board of Trustees, the Council, or of any committee or sub-committee shall not be invalidated by:

(a) any vacancy in their number;

(b) any defect or irregularity in the appointment, or in the qualification for appointment, of any person as a member, chairman, or deputy chairman of any of those bodies, or as Chairman or Deputy Chairman of the Charity,

or as Senior Member of the Council; or

- (c) (in the case of elected members) any defect or irregularity in the election, or in the qualification for election, of the member.

### **30. Expenses and remuneration**

- (1) The Charity may defray any expenses wholly, necessarily and exclusively incurred by members of the Board of Trustees, the Council or any other committee or sub-committee for the purpose of carrying out their duties as such members.
- (2) Subject to the prior written approval of the Charity Commission, the Charity may pay such annual amounts as the Council may from time to time determine and as shall be approved by the members in general meeting to:
- (a) the Chairman of the Charity;
- (b) the Deputy Chairman of the Charity;
- (c) any other member or members of the Board of Trustees; and
- (3) Section 21(3) of the National Trust Act 1971 (which specifies the information to be shown in the accounts of the National Trust) shall have effect as though for the reference in paragraph (a) to particulars of any remuneration of chairmen paid in pursuance of section 18 of the Act, and for reference in paragraph (b) to the aggregate remuneration paid to members of the council or former members of the council, there were substituted a reference to such annual amounts as are paid in accordance with clause 30(2) of this scheme.

### **43. Regulation of procedures**

- (1) The Board of Trustees may from time to time make regulations for the management and administration of the Charity, the holding of meetings and the conduct of the business of the Charity and of the Board of Trustees, the Council and any committee or sub-committee
- (2) Without prejudice to the generality of paragraph (1) above regulations made under that paragraph may specify the quorum for the Council or for any committee or sub-committee.
- (3) Subject to the National Trust Acts and this scheme, and to any regulations made under paragraph (1) above, the Board of Trustees, the Council and any committee, or sub-committee shall each have power to regulate its own procedures.
- (4) In this clause “regulations” includes rules, standing orders and instructions.

5.1.2 Using its power under clause 43 of the Scheme the Board of Trustees has established a Code of Conduct and Procedures for Meetings which apply to itself and to the Council and other governance bodies. These are set out in [Appendices A](#) and [B](#).

#### **44. Authentication of documents**

- (1) Regulations made under clause 43 may lay down procedures for the sealing, signature or execution on behalf of the Charity of documents of any kind.
- (2) Such regulations may lay down different procedures for different kinds of documents, and may specify the person or persons, being members of the Board of Trustees or staff of the Charity, who shall seal, sign or execute documents of the kinds specified in the regulations.
- (3) It shall not be necessary in legal proceedings to prove that the person or persons who sealed, signed or executed any such document was or were duly authorised to do so, and such document shall be presumed to be duly signed, sealed or executed unless the contrary is proved.

#### **45. Power of amendment**

- (1) The Board of Trustees (subject to the provisions of this clause) may from time to time amend this scheme if it is satisfied that it is expedient in the interests of the Charity to do so.
- (2) The Board of Trustees shall consult the Council before making any such amendment.
- (3) The Board of Trustees shall not make any amendment which would have the effect directly or indirectly of:
  - (a) altering or extending the purposes of the Charity;
  - (b) authorising the Board of Trustees to do anything which is expressly prohibited by the trusts of the Charity;
  - (c) causing the Charity to cease to be a charity at law; or
  - (d) altering or extending the power of amendment that is conferred by this clause.
- (4) The Board of Trustees shall obtain the prior written approval of the Commissioners before making any amendment which would have the effect directly or indirectly of:
  - (a) enabling them to spend permanent endowment or capitalise income of the Charity;
  - (b) conferring a benefit of any kind on all or any of the current members of the Board of Trustees or their successors;
  - (c) restricting (without the consent of that person) the existing right of any person to appoint or remove a member of the Board of Trustees, or to intervene in the administration of the Charity;
  - (d) changing provisions in this scheme as to the size of the Council or the minimum or maximum size of the Board of Trustees, or changing the method by which members of those bodies are elected or appointed; or

(e) varying the name of the Charity.

(5) An amendment may be made only by a resolution passed at a meeting of the Board of Trustees of which not less than 21 days notice has been given. The notice must set out the terms of the proposed amendment.

(6) The Board of Trustees shall:

(a) prepare a written memorandum of each amendment that it makes, which must be signed at the meeting at which the amendment is made by the person chairing the meeting;

(b) send to the Commissioners a copy of the memorandum certified by a person authorised by the Board to do so within three months of the date of the meeting; and

(c) retain the memorandum as part of the governing documents.

#### **46. Questions relating to the scheme**

The Commissioners may decide any question put to them concerning:

(1) the interpretation of this scheme, or

(2) the propriety or validity of anything done or intended to be done under it.

#### **47. Notices**

(1) This clause applies to any notice or document which the Charity is required by the National Trust Acts or this scheme to send to any person.

(2) Where the Charity sends a notice or document to one member of a joint, group, or family membership of the Charity, the Charity shall not be required to send separate notices or documents to the other members of that joint, group or family membership.

(3) The Charity shall not be required to send notices or documents to members of the Charity who enjoy a concessionary membership rate by reason of their living at the same address as another member of the Charity.

(4) The fact that a notice or document is not sent to or received by any person entitled to receive it shall not invalidate any meeting held or action taken in accordance with this scheme.

# Exceptional variations to processes set out in the Governance Handbook

## 5.2 The Board of Trustees

- 5.2.1 No matter how carefully the procedures in this Handbook are planned, they cannot cater for every combination of circumstances. In relation to those governance processes which are the responsibility of the Board of Trustees, the Board of Trustees acknowledges that it will occasionally be necessary to adjust the detail of the process in order to achieve a workable result. Wherever possible the decision to make any such adjustment will be made at a meeting of the Board of Trustees, or supported by all members of the Board of Trustees in accordance with Clause 10 (3) of the Parliamentary Scheme. However, if, in order to ensure the smooth-running of a process, it is necessary for an adjustment to be made to it between Trustees' meetings, the Board of Trustees authorises the Chair to take such action as he or she considers necessary to achieve that. Where practicable the Chair will discuss the matter with the Deputy Chair before taking any such action.
- 5.2.2 The Chair will not exercise this power in such a way as to undermine the credibility of the Trust's governance processes. If the Chair does exercise this power he or she will promptly notify members of the Board of Trustees and will explain why the action taken was considered appropriate. The Chair will also formally report it to the next meeting of the Board of Trustees, so that it can be minuted.
- 5.2.3 If the Chair is unavailable, or if the process in question relates to the Chair, so that it would be inappropriate for the Chair to adjust the process, the Deputy Chair may do so instead.

## 5.3 The Council

- 5.3.1 In relation to those governance processes which are the responsibility of the Council, the Council acknowledges that it will occasionally be necessary to adjust the detail of the process in order to achieve a workable result. Wherever possible the decision to make any such adjustment will be made at a Council meeting. However if, in order to ensure the smooth-running of a process, it is necessary for an adjustment to be made to it between Council meetings, the Council authorises the Chair to take such action as he or she considers necessary to achieve that. Where practicable, the Chair will discuss the matter with the Deputy Chair and the Senior Member before taking any such action.
- 5.3.2 The Chair will not exercise this power in such a way as to undermine the credibility of the Trust's governance processes. If the Chair does exercise this

power he or she will promptly notify members of the Council and will explain why the action taken was considered appropriate. The Chair will also formally report it to the next meeting of the Council, so that it can be minuted.

- 5.3.3 If the Chair is unavailable, or if the process in question relates to the Chair, so that it would be inappropriate for the Chair to adjust the process, the Deputy Chair or (if the Deputy Chair is not available or has a conflict of interest) the Senior Member may do so instead.

# Appendices

# Appendix A - Code of Conduct for members of the Board of Trustees, the Council and their committees

If you have any questions about this code, please contact The Secretary, The National Trust, Heelis, Kemble Drive, Swindon, SN2 2NA, or email [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk).

You can find more information about governance in the Governance Handbook and on the Governance Intranet.

The roles of the Board of Trustees and the Council are described in clauses [1.7](#) and [1.13](#) respectively of the Governance Handbook, and the roles of the other Governance bodies are described in the relevant sections of the Handbook.

# Contents

<b>Clause</b>	<b>Heading</b>
1.	Definitions
2.	The Scheme and the Governance Handbook
3.	Core principles
	<i>Application of the principles</i>
4.	Role of Members of Governance Bodies
5.	Commitment
6.	Standards of conduct and debate
7.	Collegiality
8.	Confidentiality
9.	Public comment about the National Trust
10.	Accountabilities and communications
11.	Preferential treatment
12.	Declaration of interests
13.	Gifts and hospitality
14.	Interpretation
15.	Bribery Act 2010
16.	Censure
Annex	Conflicts of interests and declarations of interests

# Code of Conduct for members of the Board of Trustees, the Council and their committees and panels

## 1. Definitions

In this Code the following words have the following meanings:

<b>‘the Board’</b>	The Board of Trustees of the National Trust as defined in clause 3 of the Scheme
<b>‘Committee’</b>	<ul style="list-style-type: none"><li>(i) Any committee established by the Board in accordance with its powers under clause 12 of the Scheme</li><li>(ii) Any Nominations Committee established by the Council in accordance with its powers under clause 27 of the Scheme and any Committee of Inquiry which may be established by the Council under clause 28 of the Scheme, and</li><li>(iii) Any sub-committee validly set up by a Committee.</li></ul>
<b>‘the Council’</b>	The Council of The National Trust as defined in clause 14 of the Scheme
<b>‘Governance Body’</b>	The Board or any of its committees or the Council or any of its committees
<b>‘the Governance Handbook’</b>	the National Trust’s Governance Handbook as approved by the Board and the Council including those amendments from time to time made to it
<b>‘the Governance Team’</b>	The National Trust staff who assist and are accountable to The Secretary
<b>‘Meeting’</b>	A meeting of the Governance Body in question
<b>‘Member’</b>	A member of the Governance Body in question

**‘the Scheme’** The scheme set out in the appendix to The Charities (National Trust) Order 2005 (SI 2005 No. 712), incorporating any amendments made from time to time to that scheme

**‘The Secretary’** The officer of the National Trust holding the post of The Secretary or, in his or her absence, such person (including himself or herself) as the National Trust’s Director-General may specify

## **2. The Scheme and the Governance Handbook**

- (1) The National Trust is committed to ensuring that it operates good governance arrangements for carrying out its work. To this end, this Code of Conduct has been prepared for use by volunteer members of the various Governance Bodies of the Trust to assist and guide them in undertaking their governance duties.
- (2) To the extent that this Code conflicts with the express provisions of the Scheme or the Governance Handbook the Scheme or the Governance Handbook, as the case may be, shall prevail.

## **3. Core principles**

In their dealings with and on behalf of the National Trust Members of Governance Bodies should be guided by the following principles:

*Prudence:* Members should deal responsibly and prudently with matters entrusted to them or to the Governance Body on which they sit.

*Selflessness:* Members must act in the best interests of the National Trust and must not improperly seek or accept any financial or other advantage for themselves or people closely connected with them.

*Integrity:* Members must not allow themselves to be placed in a situation where their integrity or independence could justifiably be called into question.

*Accountability:* Members are accountable for their conduct, and should be prepared to justify their conduct.

*Openness:* Members should be open about their decisions.

*Honesty:* Members should be open about their relevant financial and other interests.

*Leadership:* Members should promote these principles and lead by example.

*Equality and diversity:* Members must comply with good practice on equality and diversity issues and promote compliance by others. In this context, 'good practice' includes, but is not limited to, relevant legislation and the National Trust's Equality and Diversity instruction.

*Respect:* Members should follow the principles of mutual respect in all their dealings and be prepared to accept that others may have equally strong views in good faith that differ from their own.

### ***Application of the principles***

#### **4. Role of Members of Governance Bodies**

Members of Governance Bodies, however they are appointed, sit on those bodies not as representatives of any group, but as individuals whose responsibility is to work together to further the interests of the National Trust.

#### **5. Commitment**

- (1) Members should ensure that they have sufficient time to attend meetings and to discharge effectively the other duties properly expected of them.
- (2) Members should commit themselves to preparing fully for and attending Meetings of their Governance Body. Members should seek leave of absence from Meetings only when prevented from attending by compelling personal or professional reasons, which they should relay to the chair before the meeting.

#### **6. Standards of conduct and debate**

- (1) Members must uphold high standards of courtesy and respect in the business, including Meetings, of the Governance Body to which they belong.
- (2) Members should not engage in any behaviour towards other Members or staff which might reasonably be interpreted as discriminatory, bullying or harassment.

#### **7. Collegiality**

Members of a Governance Body should recognise that the Governance Body may make a decision with which they disagree. Members may dissent, but

should not seek to frustrate the implementation of decisions which are properly reached. Nor should Members seek to challenge or undermine, through the media or otherwise than at a meeting of the Governance Body, the decisions reached by the Governance Body.

## **8. Confidentiality**

- (1) Members should assume that, unless the person providing the information says otherwise, any information which Members receive through their membership of the Governance Body is not to be communicated other than to members of that or other Governance Bodies and the staff of the National Trust.
- (2) Members must take all appropriate steps to safeguard information given to them in confidence or which otherwise comes into their possession in circumstances where confidentiality arises. Members may give such information to another Member of the same Governance Body (unless that Member has a conflict of interest which makes it inappropriate for him or her to have access to the information).
- (3) If a Member is put under pressure to disclose information beyond that envisaged in (1) and (2) they should report this straightaway to The Secretary.
- (4) Members are reminded that the Procedures for Meetings set out the arrangements for sharing information between different Governance Bodies.

## **9. Public comment about the National Trust**

- (1) Members must not represent themselves as speaking officially for the National Trust to the media or otherwise when this is not the case, and should take care to avoid as far as possible being placed in a position where they might be misrepresented as speaking for the National Trust.
- (2) Where a Member proposes to make comments to the media relating to the National Trust the Member should before doing so discuss the matter with the chair of the Governance Body on which the Member sits or (if the Member is the chair) with the Chair of the National Trust.

## **10. Accountabilities and communications**

- (1) Members must recognise that National Trust staff are part of a line management structure responsible to the Director-General, and not to any Governance Body other than the Board, nor to individual Members

of any Governance Body. Members must not place staff in any position where this principle might be compromised nor should they make onerous or repetitious requests for information.

- (2) On governance matters directly relating to Members' work on a Governance Body, they should normally communicate in the first instance with the Governance Team. When members visit properties they may wish to introduce themselves to General Managers who will be happy to provide general information.
- (3) Before seeking information directly from staff, Members of Governance Bodies may wish to consider whether it would be more appropriate to route their queries through the Governance Team.

## **11. Preferential treatment**

Members must not seek any preferential treatment regarding the delivery by the National Trust of its services.

## **12. Declaration of interests**

Members must observe the provisions on declaration of interests set out in the annex to this Code.

## **13. Gifts and hospitality**

Members must not accept gifts or hospitality where this might cause their integrity or independence to be questioned.

## **14. Interpretation**

- (1) If a member of a Governance Body needs help interpreting these provisions, or is concerned about how they are being applied, they should in the first instance contact The Secretary.
- (2) If that does not resolve the matter for the Member they should contact the chair of the Governance Body to which they belong or, if they are themselves the chair of that body they should contact the Chair of the National Trust. Members of the Council may, as an alternative, contact the Senior Member if they consider that to be more appropriate.

## **15. Bribery Act**

The Bribery Act ('the Act') was introduced in 2010. The Ministry of Justice sets out the offences of the Act for charitable organisations of offering or receiving bribes, bribery of foreign public officials and of failure to prevent a

bribe being paid on an organisation's behalf. The guidance considers charitable donations to be high risk. For example, if a company tendering to provide services to an organisation with which a National Trust governance volunteer was connected, and offered a large donation to the National Trust in return for the contract or service being awarded, this would be considered an offence under the terms of the Act. Governance volunteers must not commit any act of bribery in relation to their role with the National Trust and should report any bribery proposition made to them in connection with the Trust that may warrant investigation.

## **16. Censure**

- (1) All members of Governance Bodies are expected to work in a way that is consistent with the Code of Conduct. If the Chair considers that a member may have failed to do so the Chair may ask the Council to consider whether that individual(s) should be censured.
- (2) In such rare situations the Council will discuss the situation and the individual(s) concerned will be provided with an opportunity to explain their action or behaviour. After such debate the Council will consider whether the individual(s) have failed to adhere to the Code of Conduct. If it concludes that they have, the Council will determine whether that individual(s) should be censured. A majority will be required to carry both decisions.
- (3) If the Council determines that an individual(s) should be censured the Chair will write to him or her doing so. The Chair's letter will be available to all members of the Council and to Trustees. The Council will also reserve the right to share the letter more widely.

# Annex: Conflicts of interests and declarations of interests

## General points

- A. The provisions in this Annex may be lawfully waived by simple majority of the members present. It may, for instance, sometimes be useful to have particular individuals present at a discussion notwithstanding their declared interest. However, in general, these provisions should be followed.
- B. Members must declare all relevant interests at the time the matter concerned arises, whether or not those interests have been included in the register of members' interests (see below). In case of doubt, an interest should always be declared.
- C. If a member has an interest which could lead him or her to be influenced, or to be reasonably seen to be influenced, by the real possibility of significant personal gain (or loss) of a financial or non-financial nature, the interest will be deemed to be prejudicial and the Member should not speak or vote on that matter, and may also need to withdraw from the room.
- D. If a member has an interest in a matter where no significant personal gain (or loss) could arise, but has a personal connection or previous involvement in an issue, it will be a matter for the member's discretion (having declared the interest) whether to take part in the proceedings, based on whether he or she feels he or she can bring an open mind to the question.
- E. A member who has identified a potential area of conflict of interest should consult The Secretary.

## Register of interests

- F. The following interests (which are not an exhaustive list) on the part of members should be declared in a register of interests to be kept by The Secretary:
  - 1. Posts held in the course of employment or practice, including partnerships and directorships.
  - 2. Any contract for goods, services or works between the National Trust and the member or any firm or organisation in which the member is a partner, director or employee.
  - 3. Any office held in a public or professional body (other than the National Trust).

4. Any position in an organisation which might be affected by decisions taken by the National Trust.
  5. Membership of a body whose principal purposes include influencing public opinion or policy in areas relevant to the National Trust's work.
  6. Any significant financial interest relevant to the National Trust's work.
  7. Membership of a private society or club (other than a religious body), whose activities are likely to be relevant to the activities of the National Trust, provided the body has substantive entry requirements for membership.
  8. The interests of a relative or related-party, where:
    - the member is aware of the interest; and
    - a fair-minded observer might reasonably perceive a conflict of interest.
  9. Registration of an interest does not obviate the need to declare the interest in debate when the need arises.
- G. To register an interest with The Secretary members should use the form which is available on request by emailing [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk) or by contacting The Secretary.
- H. The register of interests is available via the intranet. The following members of Governance Bodies are entitled to be provided, on written request to The Secretary, with details of entries in the register of interests:
- any member of a Governance Body may be provided with details of the entries relating to other members of that Governance Body
  - Members of a Governance Body may be provided with details of the entries relating to the members of any committee or working group of that Governance Body
  - any member of the Board of Trustees may be provided with details of the entries relating to any member of any Governance Body.
- I. Occasionally governance volunteers may be a director of or employed by an organisation tendering for work with the National Trust. In these circumstances the individual should follow the procurement rules in place at any time. In particular he or she should:

- ensure the chair of their governance body is aware of their intention to tender at the earliest opportunity
- not use their position on that governance body to obtain information that may advantage their tender
- absent themselves from any discussion about the award of the tender
- not be involved any discussions about the award of the tender.
- not be involved in developing the tender specification

## Appendix B - Procedures for the running of meetings of the Board of Trustees, the Council and their committees

If you have any questions about these procedures, please contact The Secretary, The National Trust, Heelis, Kemble Drive, Swindon, SN2 2NA, or email [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk).

You can find more information about governance in the Governance Handbook and on the Governance Intranet.

The roles of the Board of Trustees and the Council are described in clauses [1.7](#) and [1.13](#) respectively of the Governance Handbook, and the roles of the other Governance bodies are described in the relevant sections of the Handbook.

# Contents

<b>Clause</b>	<b>Heading</b>
1.	Definitions
2.	The Scheme and the Governance Handbook
3.	Dates of ordinary Meetings
4.	Special Meetings of the Board and of the Council
5.	Meeting papers
6.	Chairing of Meetings
7.	Quorum
8.	Adjournment
9.	Order of business at Meetings
10.	Motions at Meetings of the Board and of the Council
11.	Closure of debates of the Board or of the Council
12.	Voting
13.	Telephone and video attendance at Meetings
14.	Decisions taken outside Meetings
15.	Admission to Meetings
16.	Access to the papers of Governance Bodies
17.	Variations to and departures from these procedures
Annex	Access to the papers of Governance Bodies

# Procedures for the running of Meetings of the Board of Trustees, the Council and their committees and panels

## 1. Definitions

In these procedures the following words have the following meanings:

<b>'the Board'</b>	The Board of Trustees of the National Trust as defined in clause 3 of the Scheme
<b>'chair'</b>	The chair of the Governance Body in question
<b>'the Chair of the National Trust'</b>	The person appointed as such by the Council under clause 22 of the Scheme
<b>'Committee'</b>	<p>(i) Any committee established by the Board in accordance with its powers under clause 12 of the Scheme</p> <p>(ii) Any Nominations Committee established by the Council in accordance with its powers under clause 27 of the Scheme (but not any Committee of Inquiry which may be established by the Council under clause 28 of the Scheme), and</p> <p>(iii) Any sub-committee validly set up by a Committee.</p>
<b>'the Council'</b>	The Council of The National Trust as defined in clause 14 of the Scheme

<b>‘the Deputy Chair of the National Trust’</b>	The person appointed as such by the Council under clause 22 of the Scheme
<b>‘Governance Body’</b>	The Board or any of its Committees or the Council or any of its Committees
<b>‘the Governance Handbook’</b>	the National Trust’s Governance Handbook as approved by the Board and the Council including those amendments from time to time made to it
<b>‘the Governance Team’</b>	The National Trust staff who assist and are accountable to The Secretary
<b>‘Meeting’</b>	A meeting of the Governance Body in question
<b>‘Member’</b>	A member of the Governance Body in question
<b>‘the Scheme’</b>	The scheme set out in the appendix to The Charities (National Trust) Order 2005 (SI 2005 No. 712), incorporating any amendments made from time to time to that scheme
<b>‘The Secretary’</b>	The officer of the National Trust holding the post of The Secretary or, in his or her absence, such person (including himself or herself) as the National Trust’s Director-General may specify
<b>‘the Senior Member of the Council’</b>	The person appointed as such by the Council under clause 22 of the Scheme

## **2. The Scheme and the Governance Handbook**

To the extent that these Procedures conflict with the express provisions of the Scheme or the Governance Handbook the Scheme or the Governance Handbook, as the case may be, shall prevail.

### **3. Dates of ordinary Meetings**

- (1) The expected frequency of ordinary Meetings of the principal Governance Bodies is set out in the Governance Handbook. The Council must, by the Scheme, meet at least once a year.
- (2) The chair of each Governance Body shall fix the dates of its ordinary Meetings.
- (3) The chair may for good reason alter any date for an ordinary Meeting of the Council or the Board or cancel an ordinary Meeting which has been scheduled or schedule an additional meeting. If a chair does so he or she shall give to the Members of the Governance Body as much notice as is practicable of the alteration in date or cancellation.

### **4. Special Meetings of the Board and of the Council**

- (1) A special Meeting of the Board may be called by
  - (a) the Chair of the National Trust or
  - (b) the Deputy Chair of the National Trust, if (The Secretary having made all reasonable efforts to contact him or her) the Chair of the National Trust is unavailable, or
  - (c) half of the members of the Board by giving notice in writing or by email to The Secretary.
- (2) A special Meeting of the Council may be called by
  - (a) the Chair of the National Trust or
  - (b) the Deputy Chair of the National Trust, if (The Secretary having made all reasonable efforts to contact him or her) the Chair of the National Trust is unavailable, or
  - (c) the Senior Member of the Council, or
  - (d) half of the members of the Council by giving notice in writing or by email to The Secretary.
- (3) The date of a special Meeting of the Board or the Council shall be such reasonable date as is specified by the person or persons calling it.

- (4) The business of a special Meeting of the Board or the Council shall be such as is specified by the person or persons calling it and no business other than that so specified shall be taken at the Meeting. This provision does not authorise the carrying out of business at the Meeting which is not within the remit of the Board or the Council, as the case may be.

## **5. Meeting papers**

- (1) Members of a Governance Body will be given reasonable notice of its Meetings.
- (2) The Governance Team will endeavour to despatch the agenda and supporting papers for any Meeting to the members of the Governance Body at least seven days before the Meeting, but later publish of the papers will not invalidate the proceedings of the Meeting.
- (3) Draft minutes of a Meeting will normally be circulated to members of the Governance Body within 21 days after the Meeting.

## **6. Chairing of Meetings**

- (1) Meetings of the Board shall be chaired as follows:
  - (a) by the Chair of the National Trust, or
  - (b) in the absence of the Chair of the National Trust, or if he or she declines to take the chair (whether because of a conflict of interest or otherwise), by the Deputy Chair of the National Trust, or
  - (c) if the Chair of the National Trust and the Deputy Chair of the National Trust are both absent, or if both of them decline to take the chair, the members present choose one of their number to chair the Meeting.
- (2) Meetings of the Council shall be chaired as follows:

*For any item of business other than one relating to the performance of the Board:*

- (a) by the Chair of the National Trust, or

- (b) in the absence of the Chair of the National Trust, or if he or she declines to take the chair (whether because of a conflict of interest or otherwise), by the Deputy Chair of the National Trust, or
- (c) in the absence of both the Chair and Deputy Chair of the National Trust, or if both decline to take the chair, by the Senior Member, or
- (d) if the Chair and Deputy Chair of the National Trust and the Senior Member are all absent, or decline to take the chair, the Members present choose one of their number to chair the Meeting.

*For any item of business relating to the performance of the Board:*

- (e) by the Senior Member or (in his or her absence, or if he or she declines to take the chair) the Members present choose one of their number to chair the Meeting
- (3) Meetings of Committees shall be chaired as follows
- (a) by the chair of the Committee, or
  - (b) in the absence of the chair of the Committee, or if he or she declines to take the chair, by the vice-chair (if there is one) of the Committee, or
  - (c) if the chair and vice-chair of the Committee are both absent, or if both of them decline to take the chair, the members present choose one of their number to chair the Meeting.

## **7. Quorum**

- (1) In this clause 7, “half of the Members” means half of the number of Members for the time being of the Governance Body, rounded up where the number of Members is an odd number, unless otherwise directed by this clause.
- (2) The quorum for Meetings of the Board shall be half of the Members or six Members, whichever is the greater.
- (3) The quorum for Meetings of the Council shall be 18 Members or half, whichever is greater.

- (4) The quorum for Meetings of other Governance Bodies shall, unless expressly provided for in the terms of reference set out in the Governance Handbook, be fixed by the body which established the Governance Body in question. For succession-planning and appointments there must be a minimum of two members to be quorate.

## **8. Adjournment**

- (1) The chair may adjourn a Meeting to later the same day or to a future fixed day and time, and shall do so if directed by the Meeting. The chair shall also decide whether it is appropriate to adjourn the Meeting if a quorum is not present.
- (2) No business shall be transacted at an adjourned Meeting other than business left unfinished at the Meeting which was adjourned.
- (3) If a Meeting is adjourned for less than seven days, no notice need be given of the adjourned Meeting, or of the business to be transacted at the adjourned Meeting.
- (4) If a Meeting is adjourned for seven days or more, notice of the adjourned Meeting, and of the business to be transacted at the adjourned Meeting, shall be given to all Members.

## **9. Order of business at Meetings**

Unless the chair directs otherwise, the order of business at Meetings shall be:

- (a) the chair is taken in accordance with clause 6;
- (b) the minutes of the preceding meeting shall be taken as read and, subject to any correction, confirmed, and
- (c) other business shall be taken in the order directed by the chair.

Any conflicts of interest should be declared at the beginning of the meeting.

## **10. Motions at Meetings of the Board and of the Council**

- (1) Motions may be proposed at Meetings of the Board and of the Council by
  - (a) the chair;

- (b) individual Members.
- (2) A motion by the chair need not be seconded, but other motions can be put to the Meeting only if seconded at the Meeting.
- (3) Amendments to motions may be put at the meeting if proposed and seconded at the Meeting.
- (4) A motion proposed by a Member other than the chair shall be included in the agenda for the Meeting if notice of the motion has been received not less than 20 clear working days before the Meeting by The Secretary
- (5) A Member's motion which has been received within 20 clear working days before a Meeting shall be taken only in case of urgency, as determined by the chair.

## **11. Closure of debates of the Board or of the Council**

- (1) Any Member who has not spoken in a debate at a Board or Council Meeting may propose and any other Member who has also not spoken in the debate may second a motion ("a closure motion") that either
  - (a) the matter be put to a vote, or
  - (b) that the Meeting should proceed to the next business.
- (2) If it is proposed that the matter be put to a vote and the proposal is carried, the Chair may direct that the proposer of the substantive matter may have the right of reply before the vote on the matter.
- (3) A proposal under this clause shall be passed if a simple majority of the Members present and voting vote for it.

## **12. Voting**

- (1) The chair of a Meeting shall seek to reach a consensus and if satisfied that such consensus exists may, unless a vote is called for under paragraphs (2) or (3) of this clause, treat the matter as agreed.
- (2) The chair may, before the Meeting has moved to the next item of business, call for a vote on any question.

- (3) Any Member may, before the Meeting has moved to the next item of business, call for a vote on any question. This paragraph (3) does not apply to closure motions, because these are covered by clause 11.
- (4) If a vote is called for the question shall, unless the Scheme expressly provides otherwise, be decided by a majority of the Members present and voting.
- (5) Voting shall be by show of hands unless the Members agree that there should be a ballot. If a ballot is called for it shall be secret ballot.
- (6) In the event of an equality of voting, the chair shall, unless the Scheme expressly provides otherwise, have a second or casting vote.
- (7) In the case only of the Council:
  - (a) where the successful candidate or candidates for any appointment by the Council are selected by ballot, the minutes of the next following Meeting of the Council shall record the number of votes cast for each candidate
  - (b) such a ballot conducted by post or electronically, between Meetings, shall be valid as if it had been conducted at a Meeting of the Council. Clause 14(2) does not apply to such ballots.

### **13. Telephone and video attendance at Meetings**

- (1) Any Member who participates in a Meeting of a Governance Body other than the Board of Trustees by telephone or video link shall for all purposes be treated as present at the Meeting during such time as he or she is in such telephone or video contact.
- (2) Attendance at a Meeting of the Board of Trustees must be in person.

### **14. Decisions taken outside Meetings**

- (1) Subject to paragraphs (2) and (4) of this clause a decision taken by a Governance Body otherwise than at a Meeting shall be as valid as if it had been made at a Meeting of that Governance Body.

- (2) A decision taken in accordance with paragraph (1) of this clause shall only be valid if
  - (a) reasonable notice of the matter to be decided has been given to all Members of the Governance Body, and
  - (b) the decision is recorded either:
    - (i) in a single written document signed by at least three-quarters of the Members of the Governance Body
    - (ii) in two or more similar written documents which together bear the signatures of at least three-quarters of the Members of the Governance Body.
- (3) For the purposes only of paragraph (2)(b) of this clause an email sent by a Member shall be treated as a written document signed by that Member.
- (4) The provisions of paragraphs (1) and (2) of this clause shall not apply to decisions taken by the Board of Trustees. The arrangements for making decisions on behalf of the Board of Trustees between Meetings are set out in the annex to Appendix F.

## **15. Admission to Meetings**

Unless otherwise expressly provided for in the terms of reference of a Governance Body, Meetings of that body shall be attended only by Members of that Governance Body and such National Trust staff or other individuals as the chair shall agree may attend.

## **16. Access to the papers of Governance Bodies**

The annex to these procedures sets out which Meeting papers are available to Members of Governance Bodies.

## **17. Variations to and departures from these procedures**

- (1) The inadvertent failure to follow any of these procedures at a given Meeting shall not of itself invalidate any decision taken at that Meeting.
- (2) In the case of the Board or the Council:

- (a) the Members present at any Meeting may without prior notice having been given agree to relax these procedures insofar as they relate to the conduct of that Meeting, but only if such relaxation is supported by at least two thirds of the Members present and voting, and
  - (b) the Members may if details of the proposed amendment have been included in the notice and agenda of the Meeting agree, by simple majority, that these procedures be amended insofar as they apply to future Meetings of that Governance Body.
- (3) In the case of other Governance Bodies these procedures may be varied or amended:
- (a) in the case of committees of the Council, by the Council;
  - (b) in the case of committees of the Board, by the Board, and
  - (c) in the case of sub-committees, by the parent committee.
- (4) Paragraphs (2) and (3) of this clause do not restrict the Board of Trustees' ability to make or amend regulations under clause 43 of the Scheme.

## **Annex: Access to the papers of Governance Bodies**

- (A) A Member of a Governance Body is entitled to be sent copies of:
- papers circulated to or produced by that Governance Body during their membership of that body or (on request) papers circulated or produced before they became a Member of that body
  - papers circulated to or produced by any Committee or working group of that Governance Body unless it was agreed (or assumed under paragraph (C)(2)) that such information was to be confidential.
- (B) With the exceptions set out in paragraph (C), a member of a Governance Body is entitled to be sent, in addition to the papers mentioned in paragraph (A), copies of papers circulated to or produced by any other Governance Body.
- (C) (1) Only Members of the Board of Trustees or its committees and Members of the Council may see papers produced specifically for or by the Board of Trustees

(2) Information relating to the workings, deliberations or recommendations of a nomination, appointment or selection committee shall be assumed to be confidential to that committee unless otherwise specifically agreed by that committee or by its parent Governance Body.

(D) Nothing in this annex entitles any Member to see information if doing so would:

- breach the legitimate expectations as to confidentiality of the person who provided the information;
- result in a breach of the legislation relating to data protection;
- place an unreasonable administrative burden on a Governance Body or the staff of the National Trust;
- jeopardise the commercial or operational interests of the National Trust
- entail providing sensitive information about an individual
- involve a conflict of interest

(E) The chair of a Governance Body may authorise the giving to someone who is not otherwise entitled to receive it of any paper circulated to or produced by the Governance Body. Where the paper in question was prepared primarily for some other Governance Body the chair should obtain the consent of the chair of that other body before giving such authorisation.

(F) (1) If a Member of a Governance Body needs help interpreting these provisions, or is concerned about how they are being applied, they should in the first instance contact The Secretary.

(2) If that does not resolve the matter for the Member they should contact the chair of the Governance Body to which they belong or, if they are themselves the chair of that body they should contact the Chair of the National Trust. Members of the Council may, as an alternative, contact the Senior Member if they consider that to be more appropriate.

## Appendix C - Whistle-blowing policy

The Trust is keen to ensure that everyone involved with the organisation has access to a clear framework for raising concerns about issues such as governance process failures. However, the Public Interest Disclosure Act 1998, commonly called the Whistleblower's Act, does not extend to volunteers. The Trust has therefore established a process that can be used by members of the governance community for raising significant concerns, particularly involving perceived failings in the Trust's governance process.

If an issue cannot be resolved informally, it must be submitted in writing to the Chair of the relevant body (copied to the Trust's Secretary) for consideration. If the concerns relate to the actions of the Chair of that body, the concerns should be submitted direct to the Trust's Chair. Council Members must also send a copy to the Senior Member of the Council or, if the concerns relate to the actions of the Chair, to the Senior Member only. The Chair/Senior Member, following careful consideration of the issues raised with the relevant body, will confirm in writing any action the Trust intends to take as a consequence. The Secretary should always be consulted before any action is taken.

## Appendix D - Qualities and experience for holders of governance positions

The qualities and experience listed below in relation to each body are those which the Board of Trustees or the Council, as the case may be, would normally regard as essential or important for the particular post. However, the lists are not exhaustive and may be modified in particular cases if the body making the appointment considers that appropriate.

Because of the risk of conflict of interests members of Trust staff will not be considered eligible for appointment or election to governance positions. Normally there should be a gap of 23 months between a member of staff leaving the Trust and becoming a governance volunteer, to allow a period of independence from the Trust. The final decision should rest with the relevant governance body chair, having first taken advice from The Secretary.

### **D.1 The Chair and Deputy Chair**

The Chair and Deputy Chair of the National Trust should be able to demonstrate a broad range of the following:

- ability to bring personal knowledge and experience to bear on the Trust's activities
- skill and sensitivity in dealing with people at all levels, both internally and externally, including those who are critical of the Trust
- intellectual capacity to grasp issues outside personal experience and to take a strategic view
- skill in chairing large, complex and sometimes controversial meetings and in obtaining consensus
- ability to play a leading role in the shaping and maintenance of a complex governance structure
- capacity to command respect on the national stage and to represent the Trust's line with authority
- ability to inspire confidence amongst the Trust's core constituency and to act as a stabilising influence, particularly at moments of difficulty
- possession of a relevant network of contacts together with the capacity to make new links for the Trust

- readiness to speak in public and deal with the media
- experience of managing large organisations and of the workings of Government
- absence of current active association with any political party or link with any interest which could conflict with the Trust

The required time commitment is not easy to quantify and will, to some extent, depend on the individual and on the degree to which he or she shares the representational element with other Trustees and senior staff. However, when account is taken of the need to chair Board of Trustee and Council meetings, to meet regularly with the Director-General and other members of senior management, and to make periodic visits to properties, in addition to attendance at one-off events, the role of the Chair is likely to require at least 70 days a year. Apart from physical presence, a good deal of time is likely to be taken up in thought and telephone consultation. The time commitment for the Deputy Chair is likely to be up to 70 days a year.

## **D.2 Members of the Board of Trustees**

All Trustees should have or acquire upon appointment thorough knowledge of:

- the core purpose of and issues facing the Trust over the 5-10 years ahead
- the Trust's strategy and plans in place at any time
- the Trust's governance, in particular the different roles of the Board of Trustees and the Council
- general Trustee responsibilities and obligations within the charity sector

In addition, each member of the Board of Trustees (including the Chair and Deputy Chair) should be able to demonstrate the following:

### Qualities

- an understanding of, commitment to, and a passion for the National Trust and its work
- objectivity, fairness, independence of mind, integrity, wisdom, discretion and good judgement

- a commitment to act solely in the best interests of the Trust, and of the wider public, without regard to personal interest or benefit
- strategic vision and the ability to focus on practical issues
- readiness to take and be accountable for decisions
- awareness of how the world is changing politically, economically and socially
- the necessary time to be an effective Trustee
- a good team player
- ability and willingness to be an ambassador for the Trust and to represent the Trust positively to external audiences
- no significant potential conflicts of interest

#### Experience

The Board of Trustees overall should be able to demonstrate a broad range of the following:

- experience of leadership and board-level decision-making
- experience of large organisations with many stakeholders
- experience of wider financial issues and specific skills in audit and risk management (for potential members of the Audit Committee)
- a broad experience of good governance in business, the public sector or not-for-profit organisations and an understanding of the governance of charities and the duties and responsibilities of Trustees

#### Knowledge and skills

The Board of Trustees overall should have experience and knowledge of current relevance, such as:

- cultural heritage
- countryside and land management
- nature conservation

- learning, outreach and access
- buildings, chattels and gardens
- volunteering
- financial management/investment expertise
- business acumen
- strategy
- change management
- legal
- people management
- procurement
- IT and business processes
- marketing and communications

The time commitment for Trustees is expected to be between 20 and 30 days a year.

### **D.3 Members of the Council**

All Council members should have or acquire upon appointment or election a good knowledge of:

- The core purpose of the Trust
- The Trust's strategy
- The Trust's governance, in particular the different roles of the Board and the Council

Beyond these fundamental needs, Council members should be able to demonstrate the following:

## Qualities

- an understanding of, commitment to, and a passion for, the National Trust and its work
- objectivity, fairness, independence of mind, integrity, wisdom, discretion and good judgement
- a commitment to act solely in the best interests of the Trust and of the wider public without regard to personal interest or benefit
- a readiness to take and be accountable for decisions
- awareness of how the world is changing politically, economically and socially
- the necessary time to be an effective Council member
- a good team player
- ability and willingness to be an ambassador for the Trust and to represent the Trust positively to external audiences
- no significant potential conflicts of interest
- readiness and time to get involved in non-governance Trust volunteer activity

## Experience, knowledge and skills

The Council collectively should have all the attributes needed to fulfil its role and responsibilities, including in particular:

- experience, knowledge and skills in a range of areas of the Trust's work
- a range of perspectives and knowledge of the communities with an interest in and a connection with the Trust's work
- volunteer experience of the Trust's work
- an understanding of the current and future needs of the Trust's beneficiaries, including members and the wider public
- knowledge of and skills in a range of the work areas in which the Trust is involved

- sufficient people with the potential to become members of the Board of Trustees

The time commitment for Council members is expected to be approximately 10 days a year.

#### **D.4 The Senior Member of the Council**

The Senior Member of the Council should be able to demonstrate a broad range of the following qualities and experience:

- all the qualities and experience required of members of the Council
- an in depth knowledge of the Trust
- the ability to command the respect and trust of the Council and Board of Trustees
- skill and sensitivity in dealing with members of the Council and Board of Trustees
- skill in chairing large, and sometimes controversial decisions with impartiality, and in obtaining consensus
- experience of chairing committees in a non-executive capacity
- independence of character
- a broad experience of good governance in business, the public sector, or not for profit organisations and an understanding of the governance of charities and the duties and responsibilities of Trustees
- understand and are committed to equality and diversity

#### **D.5 Members of a Nominations Committee**

All members of a Nominations Committee should demonstrate that they:

- understand and are committed to good practice in recruitment and selection, and to processes which are fair, open and transparent
- understand and are committed to equality and diversity
- have broad experience of good governance, and an understanding of the duties and responsibilities of Trustees

- are knowledgeable about the purpose of the National Trust, and committed to its strategy
- will act with integrity at all times
- act in the best interests of the Trust, and without regard to their own personal interest or benefit
- approach decisions objectively and fairly and, in recommending appointments, make choices on merit
- are willing to be accountable for their decisions and recommendations
- have no potential conflicts of interest
- have the necessary time to be an effective member of the Committee

The Nominations Committee needs to demonstrate that it has, amongst its members, experience of participating in effective recruitment, selection and induction processes.

The Chair of a Nominations Committee should also be able to demonstrate good chairing skills.

An external member of a Nominations Committee should bring additional experience and qualities of judgement and also be able to demonstrate:

- independence and openness of mind in a committee environment
- wisdom and good judgement
- the ability to work well as an independent member of the team
- wide experience of governance in organisations which take good practice in this field seriously
- significant experience in a non-executive Board role in more than one sector (defined as private, public or voluntary sectors) or other similar non-executive capacity
- experience of attracting and assessing people, particularly with regard to Chair, Deputy Chair and Trustee appointments

- previous experience as a member of a nominations committee, or similar, and an understanding of good selection and senior recruitment practice, including non-executive appointments

Activities in which an external member of a Nominations Committee is involved typically include:

- appointing the Chair
- appointing the Deputy Chair
- appointing members of the Board of Trustees
- elections to the Council (annually)
- review of appointing bodies to the Council (every six years)
- appointing external members

## **D.6 Members of the Audit Committee**

Each member will be capable of making a valuable contribution to the committee. A diverse outlook among members is desirable to avoid over-emphasis in any direction.

As well as being able to commit the necessary time to be an effective member of the Committee, each member will possess the following qualities and experience:

### Qualities

- independence
- integrity
- capacity to dedicate sufficient time and energy
- ability to give direct and honest opinions and add value to decision-making
- the forcefulness and tenacity to ask a direct question, insist on a straight answer and to hold candid discussions with management and external auditors
- inquisitiveness and independent judgement

- ability to offer different perspectives and constructive suggestions

#### Experience

- financially literate with the ability to read and understand basic financial statements, to know the right questions to ask of management or the auditors and interpret and evaluate the answers

#### Knowledge

Every member needs to develop knowledge of the aims and objectives of the Trust and a good working knowledge of the Trust's issues, risks and controls.

At least one member will be a financial expert who has accounting or related financial expertise.

### **D.7 Members of the Senior Management Remuneration Committee**

Each member will be capable of making a valuable contribution to the committee. A diverse outlook among members is desirable to promote a healthy debate on topics as they arise.

Each member will possess the following qualities and experience:

#### Knowledge

- regulations and guidance on good governance and appointment practice
- remuneration policy relating to senior executives
- content of executive service agreements
- severance options for senior staff
- succession planning models
- executive recruitment

#### Skills

- high-level market-data interpretation
- tact and diplomacy
- communications relevant to executive-level posts

- development needs analysis
- succession planning

#### Experience

- ideally membership of remuneration committees in other, similar-sized organisations
- remuneration policy development
- other HR policy development
- particularly succession planning and executive development
- executive recruitment
- ideally members should have experience across at least two of the three sectors

### **D.8 Members of the Investment Committee**

Each member will be capable of making a valuable contribution to the Committee. A diverse outlook among members is desirable to promote a healthy debate on topics as they arise.

Each member will possess the following qualities and experience:

#### Qualities

- independence of character
- integrity
- capacity to dedicate sufficient time and energy
- ability to give direct and honest opinions and add value to decision-making
- inquisitiveness and independent judgement
- ability to offer different perspectives and constructive suggestions

## Experience

- in the case of non-Trustee members, several years' experience of investment management, preferably comprising hands-on, practical experience of running investment portfolios
- financially literate with the ability to read and understand investment reports, to know the right questions to ask of investment managers and interpret and evaluate the answers

Every member needs to develop knowledge of the aims and objectives of the Trust and have a good working knowledge of the Trust's investment issues, risks and controls.

## Appendix E - List of Appointing Bodies (as elected by the Members in 2012)

The Conservation Volunteers

The Campaign to Protect Rural England

Confederation of British Industry

Council for British Archaeology

Country Land and Business Association

Natural Resources Wales

The Gardens Trust

Historic Houses Association

ICON, Institute of Conservation

John Lewis Partnership

Museums Association

National Association of Decorative and Fine Arts Societies

National Farmers' Union

National Federation of Women's Institutes

Open Spaces Society

The Prince's Trust

The Ramblers' Association

Royal Agricultural Society of England

The Royal Horticultural Society

RSPB

The Scout Association

The Society for the Protection of Ancient Buildings

Soil Association

Tenants Association of the National Trust

VisitBritain

The Wildlife Trusts

There are currently no jointly-appointed bodies as mentioned in clause 17(2) of the Scheme.

## Appendix F - How the Board makes decisions

The Board of Trustees can make, or authorise, a decision in any of the following ways:

- F.1 The Board of Trustees has delegated various decisions to staff or (in a few instances) to permanent committees of the Board of Trustees. Delegation to staff is covered in the scheme of delegation. Delegation to committees is dealt with either in the terms of reference of the committee, or by a specific resolution of the Board of Trustees. Where a decision is needed on something which has not already been delegated to staff or a committee the decision must either be made **by** the Board of Trustees itself, or the Board of Trustees must specifically authorise someone to make the decision **on behalf of** the Board of Trustees.
- F.2 Decisions **by** the Board of Trustees can be made:
- a. at a meeting of the Board of Trustees. These decisions must be supported by a majority of the Trustees who are present (clauses 3(3), 9 and 10(1) & (2) of the scheme), or
  - b. in writing and signed by **all** members of the Board of Trustees (clauses 10(3) & (4) of the scheme).

If a member of the Board of Trustees joins a Board meeting by phone or video conference that does not, strictly, count as attendance at the meeting. The position is different (see appendix B, paragraph 13) for other governance bodies in the National Trust.

- F.3 Decisions **on behalf of** the Board of Trustees can be made by any member of staff (clause 13(2) of the scheme) or committee of the Board of Trustees (clause 12(3)) to whom the Board of Trustees delegates the task. That delegation must be by way of a decision made by the Board of Trustees in one of the ways described in paragraph F.2 above.
- F.4 The need for there to be this formal **decision to delegate** presents practical difficulties in the case of urgent decisions. The Board of Trustees has tackled this problem in advance by delegating to the Chair and Deputy Chair **not the power to make the relevant decision**, but the power to appoint a committee (which may only be one person [clause 12(2) of the scheme]) to make the decision. The annex to Appendix F sets out how this works. The decision of that committee, once made, is a **decision by that committee on behalf of** the Board of Trustees. It is not a decision **by** the Board of Trustees.
- F.5 So, where a decision on something has to be made before the next scheduled meeting of the Board of Trustees, and the subject matter is not covered by the

scheme of delegation or any other existing express delegation, the Board has three options:

- a. call a special meeting of the Board of Trustees for a date when there will be enough Trustees available for a quorum (a decision **by** the Board of Trustees);
- b. arrange for a written resolution, to be signed by all members of the Board ( a decision **by** the Board of Trustees), and
- c. use the process set out in the annex to appendix F (leading to a decision **on behalf of** the Board of Trustees).

### **Annex: Arrangements for making decisions on behalf of the Board of Trustees between meetings**

1. These arrangements apply where in the opinion of the Chair of the National Trust (or, in his or her absence, the Deputy Chair) there is a decision which needs to be made by Trustees, that decision cannot reasonably be deferred to the next scheduled meeting of the Board of Trustees, and it is impractical or (given the nature of the issue to be decided) a disproportionate call on the time of Trustees to convene an additional meeting of the Board of Trustees.
2. The Chair and Deputy Chair may appoint from amongst the members of the Board of Trustees an *ad hoc* committee to decide the matter on the Board's behalf, may decide the members of that committee, may set the terms of reference for the committee, appoint its chair, and may prescribe how the committee shall carry out its work and reach its decision. The Chair and Deputy Chair shall keep a note of any decision which they make relating to the appointment of such a committee.
3. The Chair and Deputy Chair may themselves be, but do not need to be, members of any such committee.
4. Any such committee shall, unless expressly provided otherwise by the Chair and Deputy Chair when they establish it, be regulated by any general procedures for meetings from time to time applying to committees of the Board of Trustees.
5. If there is a difference of view between the Chair and the Deputy Chair on any matter relating to the appointment of the committee the Chair's view shall prevail.
6. If The Secretary makes reasonable efforts to contact the Deputy Chair but is unable to do so, the Chair may exercise alone the powers set out in paragraphs 1. to 4. Similarly, if The Secretary makes reasonable efforts to

contact the Chair but is unable to do so, the Deputy Chair may exercise alone those powers.

7. Whenever the Chair and/or Deputy Chair propose to appoint such a committee to decide a matter on behalf of the Board of Trustees reasonable steps shall be taken before the committee meets to let all Trustees know of the issue, that it is to be decided by the committee, and the identity of the members of the committee.
8. The committee shall keep minutes of its meetings. It shall give a written report to the Trustees as soon as practicable after the committee decides the matter, and in any event not later than the next following full meeting of the Board of Trustees. The committee's decision shall be noted in the minutes of that Trustees' meeting.
9. Once the committee has made the relevant urgent decision or decisions it shall, unless the Board of Trustees agrees otherwise, disband.
10. The Board delegates to the Chair and Deputy Chair, and to any committee appointed as mentioned above, such powers as are needed to give effect to the procedures set out in paragraphs 1 to 9 above.
11. It is envisaged that this mechanism will be used only occasionally.

## Appendix G - The National Trust's subsidiary companies

The Trust has the following subsidiary companies:

The National Trust (Enterprises) Limited

National Trust (Renewable Energy) Limited

Historic House Hotels Limited

Countryside Commons Limited

The Porthdinlleyn Harbour Company

For more information about these companies, contact [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk) or visit [\[HYPERLINK TBC\]](#).

# Appendix H - Disqualification of Trustees from section 178 of the Charities Act 2011

NB: There are some qualifications on section 178. Further details on these can be provided by The Solicitor.

## **Section 178 of the Charities Act 2011 (disqualification of trustees)**

### **178 Persons disqualified from being charity trustees or trustees of a charity**

(1) A person (“P”) is disqualified from being a charity trustee or trustee for a charity in the following cases—

- Case A

P has been convicted of any offence involving dishonesty or deception.

- Case B

P has been adjudged bankrupt or sequestration of P's estate has been awarded and (in either case)—

(a) P has not been discharged, or

(b) P is the subject of a bankruptcy restrictions order or an interim order.

- Case C

P has made a composition or arrangement with, or granted a trust deed for, creditors and has not been discharged in respect of it.

- Case D

P has been removed from the office of charity trustee or trustee for a charity by an order made—

(a) by the Commission under section 79(2)(a) or by the Commission or the Commissioners under a relevant earlier enactment (as defined by section 179(5)), or

(b) by the High Court,

on the ground of any misconduct or mismanagement in the administration of the charity for which P was responsible or to which P was privy, or which P's conduct contributed to or facilitated.

- Case E

P has been removed, under section 34(5)(e) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10) (powers of the Court of Session) or the relevant earlier legislation (as defined by section 179(6)), from being concerned in the management or control of any body.

- Case F

P is subject to—

(a) a disqualification order or disqualification undertaking under the Company Directors Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I.4)), or

(b) an order made under section 429(2) of the Insolvency Act 1986 (disabilities on revocation of county court administration order).

(2) Subsection (1) is subject to sections 179 to 181. P has been removed, under section 34(5)(e) of the Charities and Trustee Investment (Scotland) Act 2005 (asp 10) (powers of the Court of Session) or the relevant earlier legislation (as defined by section 179(6)), from being concerned in the management or control of any body.

- Case F

P is subject to—

(a) a disqualification order or disqualification undertaking under the Company Directors Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I.4)), or

(b) an order made under section 429(2) of the Insolvency Act 1986 (disabilities on revocation of county court administration order).

(2) Subsection (1) is subject to sections 179 to 181.

# Glossary

These definitions are to help you understand some of the words in the Handbook which have a special meaning. If you need to know the strict legal meaning of the **words in bold type**, this is set out in clause 1 of the Trust's 2005 Parliamentary Scheme – the document which is the foundation for the Trust's governance structure. A copy of the original Parliamentary Scheme can be found at [www.opsi.gov.uk/si/si2005/20050712.htm](http://www.opsi.gov.uk/si/si2005/20050712.htm) and an amended copy (incorporating subsequent changes) is available on the National Trust website at <https://www.nationaltrust.org.uk/features/our-constitution>.

Any recommendations for future changes to the Governance Handbook will be periodically presented to the Board of Trustees and the Council. Once approval has been given by these bodies the online version will be updated to reflect the changes.

<b>Term</b>	<b>Meaning</b>
<b>Appointed Member</b>	A member of Council appointed by an Appointing Body
<b>Appointing Body</b>	One of 18 selected organisations which may appoint a nominee to serve as a Member of Council
<b>the Board of Trustees</b> (or the Board or Trustees)	The Board of Trustees of the National Trust
casual vacancy	A vacancy caused by the resignation or removal of a member of the Board of Trustees, or of the Council, or of a committee or by such member no longer being eligible to serve in that post.
<b>the Chairman</b>	See 'the Chair'
the Chair	Depending on the context, either (a) the Chair of the National Trust or (b) the chair of the particular body being talked about. It should be clear in each case which meaning applies. N.b. the Parliamentary Scheme refers to 'the <i>Chairman</i> ' whilst the Handbook text refers to 'the Chair'; the terms are synonymous
<b>the Charity</b> (when used in quotes from the Scheme)	The National Trust
<b>the Commissioners</b>	The Charity Commission
<b>the Council</b>	The Council of the National Trust
<b>the Deputy Chairman</b>	see 'the Deputy Chair'
the Deputy Chair	The deputy chair of the National Trust, except for a few occasions (which are clear from their context) where it means the deputy chair of a specific committee. N.b. the Parliamentary Scheme refers to 'the <i>Chairman</i> ' whilst the Handbook text refers to 'the Chair'; the terms are synonymous

<b>elected member</b>	A member of Council elected by the membership of the National Trust
Executive Team	Senior Trust staff who support the Director-General in fulfilling his or her responsibilities
<b>external member</b>	A person who is independent of the other governance bodies within the National Trust, because they are not a member of the Board of Trustees or Council and have not been a member of any such body or an employee of the Trust within the last three years. An external member may serve for up to five years, and then must retire for a minimum of three years.
inalienable	A word used to describe land owned by the National Trust which the Trustees have agreed can never be sold or mortgaged, and which can only be compulsorily purchased if the National Trust agrees, or if Parliament specifically supports the compulsory purchase.
<b>The National Trust Acts</b>	The National Trust Acts 1907 to 1971
<b>the new constitution date</b>	The date the National Trust's new constitution came into effect: 1st September 2005
Nominations Committee	A committee appointed by the Council to oversee the appointment of the Chair, Deputy Chair, members of the Board of Trustees or the election of Council Members or the review of the Appointing Bodies
Papers	This expression is used in this Handbook to refer to both hard copy and electronic papers (and references to circulating papers means, in relation to electronic versions, making them available)
Parliamentary Scheme	See 'Scheme'
Scheme	The scheme which sets out the fundamental governance provisions for the National Trust and which was brought into effect by The Charities (National Trust) Order 2005, including any amendments to that scheme
Scheme of Delegation	The levels of authority delegated by the Board of Trustees to the staff of the National Trust
<b>the Secretary</b>	The Secretary of the National Trust

**Senior Member**

A member of the Council, appointed by the Council, who has responsibilities for the duties specified in the Parliamentary Scheme and described elsewhere in this Handbook

the Trust

The National Trust

## Change control and change history

<b>Date</b>	<b>Edition</b>	<b>Comments</b>
October 2005	First Edition	Commissioned so as to have a set of governance processes in place to coincide with the introduction of the new Board of Trustees in September 2005.
January 2008	Second Edition	A working group, comprising members of both the Board of Trustees and the Council, was established to ensure complete alignment between the Governance Handbook and the Parliamentary Scheme as well as resolving inconsistencies in the First Edition. Approved by the Board of Trustees and the Council in January 2008.
July 2009	Third Edition	The same working group reviewed a number of issues identified as part of the review of the Second Edition and issues identified by the Charity Commission. Approved by the Council in April and the Board of Trustees in May 2009.
July 2013	Fourth Edition	A working group comprised of Council members and staff was established to review a number of remaining issues. Approved by the Council in June and the Board of Trustees in July 2013.
December 2016	Fifth Edition	A working group was established to review and update the Governance Handbook in light of the outcomes of the 2015 governance review. Approved by the Council and the Board of Trustees in December.

## Changes to the Parliamentary Scheme

- 2 July 2008 Added new clause 24(4).
- 21 January 2009 Deleted clause 24(4) and replaced clauses 7(3), 21(4) and 24(3), using the power which the Scheme confers on the Board of Trustees, in January 2009 to give the Council the option of making a Chair, Deputy Chair or Senior Member appointment for either three years or for the remainder of the term.
- 19 May 2010 Replaced clause 12(2).
- 17 November 2010 Added new clauses 32(3), 36(7) and 36(8), and amended clauses 36(2), 36(3) and 36(5).
- 22 March 2016 Amended the “arrangement of clauses” section, amended clauses 1(2)(a), 6(1)(a), 7(1)(b), 12(1), 12(2)(c), 14(1), 14(1)(a), 14(1)(b), 18(4)(b), 18(9)(b), 18(10), 22(3)(b), 23(1), 23(2), 26, 29, 30(1), 30(2)(b), 30(2)(c), 43(1), 43(2) and 43(3), amended Part 1 of the Schedule, deleted clauses 3(5) and 30(2)(d), re-numbered clauses 3(6) and 3(7), added new clauses 2(5) and 3(7), and added new Part 5 of the Schedule

If you have any comments on the contents of this Handbook please contact:  
The Secretary, The National Trust, Heelis, Kemble Drive, Swindon, SN2 2NA  
or email [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk).

Revisions to the Handbook will be issued from time to time by The Secretary.  
Readers are invited to check for updates at [www.nationaltrust.org.uk/govhandbook](http://www.nationaltrust.org.uk/govhandbook)  
or by contacting The Secretary, The National Trust, Heelis, Kemble Drive, Swindon,  
SN2 2NA, email [thesecretary@nationaltrust.org.uk](mailto:thesecretary@nationaltrust.org.uk). A full list of revisions is included  
in the Change Control and Change History table above.

# Index

	Page		Page
<b>Accounts</b>	83	<b>Board of Trustees Committees</b>	
<b>Annual General Meeting – see general meetings</b>		Audit Committee	65-69
<b>Appointments</b>		code of conduct	95-102
Board of Trustees	50-55	Investment Committee	72-73
Chair	11-12, 47	procedures for the running of meetings	106-118
Deputy Chair	11-12, 48	Senior Management Remuneration Committee	70-71
external member to a nominations committee	46	<b>Bribery Act</b>	101-102
Nominations Committee (Council members)	45	<b>Casual vacancy</b>	
Nominations Committee (pool of external members)	45-46	Chair	12
Senior Member of the Council	34-35	Council	31
Termination of governance appointments)	61	Deputy Chair	12
<b>Appointment processes</b>		Board of Trustees	21
Board of Trustees	40	Senior Member (Council)	35
<b>Appointed members (Council)</b>	26	<b>Chair</b>	
<b>Appointing Bodies (Council)</b>	26-29, 59-62	appointment of	11-12, 47
<b>Appointing Bodies – list of</b>	131	casual vacancy	12
<b>Audit Committee</b>		qualities and experience	120-121
code of conduct	95-102	reappointment	49-50
qualities and experience	127-128	removal of	12
meetings	69	role	9-10
membership	68-69	<b>Code of conduct</b>	95-102
procedures for the running of meetings	106-118	<b>Committees of inquiry (Council)</b>	32-33
role	65-68	<b>Council</b>	
<b>Board of Trustees</b>		appointed members	26-27
appointment of	50-54	Appointing Bodies – review of	27-29, 59-61
appointments processes (committees of Board of Trustees)	40	casual vacancies	31
casual vacancies	21	code of conduct	95-102
code of conduct	95-102	committees of inquiry	32-33
committees of	64-73	election and appointment	25-26
decisions between meetings	133-134	election of members	55-58
exceptional variations	92-93	exceptional variations	92-93
knowledge and skills	122-123	meetings	31-32
meetings	21-22	membership	29-31
membership	18-20	nomination processes	42-62
procedures for the running of meetings	106-118	procedures for the running of meetings	106-118
qualities and experience	121-122	qualities and experience	123-124
reappointment	50-55	resignation	31
removal	20	role	23-25
role	13-15	Senior Member of the Council	34-35
specific powers of	15-17	<b>Deputy Chair</b>	
		appointment of	11-12, 47
		casual vacancy	12
		qualities and experience	120-121
		reappointment	49-50
		removal of	12
		role	10

	<b>Page</b>		<b>Page</b>
<b>Election and appointment (Council)</b>	25-27	procedures for the running of meetings	106-118
<b>Election of members of Council</b>	55-58	pool of external members	45-46
<b>Equality and diversity</b>	38	qualities and experience	43-45, 125-127
<b>Exceptional variations</b>		<b>Other Scheme Clauses</b>	87-91
Board of Trustees	92-93	<b>Parliamentary Scheme provisions relating to General Meetings</b>	75-80
Council	92-93	<b>Qualities and experience</b>	
<b>External members</b>		Audit Committee	127-128
appointment of pool	45-46	Board of Trustees	121-123
appointment to a Nominations Committee	46	Chair	120-121
<b>General meetings</b>		Council	123-124
Parliamentary Scheme provisions relating to	75-80	Deputy Chair	120-121
<b>Governance</b>		Investment Committee	129
appointments	37	Nominations Committee	43-45, 125-127
principles	4-5, 37	Senior Management Remuneration Committee	128-129
structure	7	Senior Member of the Council	125
termination of appointments	61-62	<b>Reappointment</b>	
<b>Investment Committee</b>		Board of Trustees	50-55
code of conduct	95-102	Chair	49-50
meetings	73	Deputy Chair	49-50
membership	72-73	<b>Removal of</b>	
procedures for the running of meetings	106-118	Board of Trustees	20
qualities and experience	129	Chair	12
role	72	Deputy Chair	12
<b>Knowledge and skills</b>		Senior Member of the Council	35
Board of Trustees	122-123	<b>Resignation from Council</b>	31
<b>Meetings</b>		<b>Role</b>	
Audit Committee	69	Audit Committee	65-68
Board of Trustees	21-22	Board of Trustees	13-15
Council	31-32	Chair	9-10
Investment Committee	73	Council	23-25
procedures	106-118	Deputy Chair	10
Senior Management Remuneration Committee	71	Investment Committee	72
<b>Membership</b>		Nominations Committee	42-43
Audit Committee	68-69	Senior Management Remuneration Committee	70-71
Board of Trustees	18-20	Senior Member	34
categories	82-83	<b>Senior Management Remuneration Committee</b>	
Council	29-31	code of conduct	95-102
Investment Committee	72-73	meetings	71
Nominations Committee	43	membership	71
Senior Management Remuneration Committee	71	procedures for the running of meetings	106-118
<b>National Trust (Enterprises) Ltd</b>	136	qualities and experience	128-129
<b>Nominations Committee</b>		role	70-71
appointment of external members	46		
appointment of Council members	45		
code of conduct	95-102		
role	42-43		
membership	43		

	<b>Page</b>
<b>Senior Member of the Council</b>	
appointment	34-35
casual vacancy	35
qualities and experience	125
removal	35
role	34
<b>Specific Powers of</b>	
Board of Trustees	15-18
<b>Subscriptions</b>	81
<b>Termination of governance</b>	
appointments	61-62
<b>Whistle-blowing</b>	38-39, 67, 119