

178th Annual General Meeting

**Minutes of the meeting held in the Reading Room at 6pm on
Monday 4 November 2019**

The Chairman, Sir Howard Davies, began by thanking members present for attending the AGM and welcomed Daisy Goodwin as a Trustee who had been appointed at last year's AGM.

The Chairman summarised the agenda for the AGM and introduced the Treasurer, Philip Broadley, and the Director, Philip Marshall, along with the other Trustees present. He explained that the Library had instigated a Trustee placement scheme the previous year where two young members were elected to the Board. These were Maria Zhivitskaya and Frank Lawton. The Chair welcomed them to their second AGM, noting they had been most valuable in helping the Trustees understand the needs of younger members and to increase young membership.

The Chair began by noting there had been many successes over the last year starting with the first year on year growth in membership in seven years. There had been a reduction in the operating deficit as seen in the statutory accounts and the Library had benefited over the year from generous support in fundraising, thanking, in particular, members belonging to the giving circles.

The Chair also wanted to express the Library's gratitude for the invaluable support provided by the following members who had sadly passed during the year: Alan Bell (former Librarian), Sir John Julius Norwich and Sir John Richardson (both Vice-Presidents).

The Chair noted that two members, Kazuo Ishiguro and Simon Schama, had been named on the Queen's Birthday honours list and that the T S Eliot prize had been awarded to Hannah Sullivan, also a member.

The Emerging Writers Programme had been launched and funded through generous external giving. Initially 600 applications had been received from which only 38 could be selected. The successful applicants started the programme in May 2019.

The new events programme had been going very well with new external partnerships being cultivated. Most events had been sold out in the year with half of ticket sales coming from non-members.

The Chairman passed over to the Treasurer, Philip Broadley.

The Treasurer began by saying that it was a pleasure to make his annual report as Treasurer for the third time, for the financial year ending on 31 March 2019. He started his report by talking about staff changes. Peter Hyde, the Finance Director who produced the Annual Report, had left at the end of September having taken up a post as a college

bursar at Oxford and no longer, therefore, having a daily commute from Oxford to St James's. The Library was delighted to recruit Michael Clayton in quick succession. Michael joins with experience of similar roles in members' organisations and learned societies and is therefore well suited to The London Library

The Library's audit partner, Sudhir Singh, MHA MacIntyre Hudson, was also introduced and was in attendance.

Turning to the Annual Report, the Treasurer referred members to the full commentary on the results published on the website. As in previous years the Treasurer had, for the purpose of the AGM, prepared a single sheet summary for members. This contained a three-year summary of the SOFA (Statement of Financial Activities) which can also be found on page 12 of the Annual Report. It also had a summary of the movement in the funds of The London Library in each of the last three years.

There were five elements to the net increase in funds year on year of £2,352k. Three were cash items, the last two were non-cash items being revaluations as at 31 March.

Taking each in turn.

1. Operating result from membership and trading less related expenses

The net deficit of £1,105k is a small reduction on the prior year. Income has grown slightly as a result of the first months of new marketing initiatives and an increase in trading income. There was a net increase of 83 members in the year, the first time this has occurred since 2012.

Expenses includes all staff costs, including pensions, acquisitions of new material, maintaining and servicing the building. In total, these have increased by about 1%, less than inflation. All costs were scrutinised carefully and the aim was to strike a balance between maintaining the service that members value while reducing the deficit over time in line with the strategy.

2. Fundraising donations less expenses

The Library had consistently generated what one might describe as a normal inflow of £1m in recent years. The significant increase to £2.4m after costs of fundraising this year reflects a legacy from Drue Heinz of almost £1.1m, acknowledged at the last AGM, that was received in the year, together with donations of £754k to the Tom Stoppard Innovation Fund. Also included here is £310k sale proceeds from the penultimate house held by the Chambers Settlement.

3. Net investment income from funds with external managers and rental income

This is broadly the same as last year, as expected, given that there was little change in what was invested in.

4. Listed investments

These are accounted for at market value, revalued each year. March 2018 to March 2019 was a year of positive performance in the markets amounting to £455k. Additionally, the Library revalued its investment properties by an amount of £352k. Together this gives rise to the gain shown of £808k.

5. Staff Superannuation Fund

Finally, each year we are required to compare the market value of the assets held in The London Library Staff Superannuation Fund against the actuarially determined present value of the obligation to pay pensions to current and former staff many decades into the future. This is by its very nature an estimate; the Library knows the market value of its stock of assets but the present value of a cash flow is bound to fluctuate year on year. This year the assets benefitted from market movements and the Library's contributions as employer. The liability reduced slightly, amongst other things from a reduction in the rate of life expectancy improvements. This is something that is being observed across the UK population as a whole.

Overall then, each of the main funds of The London Library has increased during the year and the total funds increased by £2,718k.

The Treasurer noted The London Library's Annual Report is correctly drawn up in accordance with accounting standards. However, the accounts do not show the current value of the premises in St James's Square nor do they show the value of the collection which is insured for £25m.

The Library is therefore an asset rich organisation if one combines these items together with its £29.3m of funds.

However, the Treasurer noted that the Library continues to be cash poor, running an operating deficit, albeit one that is offset by investment income and donations. It remains central to the strategy that the operating deficit is tackled by increasing the total number of members, encouraging more joiners and improving retention of current members.

The Treasurer passed over to the Director.

The Director began by welcoming Matthew Brooke, Director of Collections and Library Services, who joined in January 2019. He then went on to say that 2018/19 was the first year of the 5 Year Plan that he had presented at last year's AGM and he was pleased to be able to report back on the progress made against the objectives set.

The key goals of the strategy were:

- a) Substantially increase awareness of, access to and engagement with the Library (increasing its reach and impact); and,
- b) Remove the core annual operating deficit by the end of 2022/23 (placing the Library on a sustainable financial footing for future generations by funding the Library's operations from membership, investment and revenue fundraising income)

In order to achieve these goals, eight key objectives were set:

- 1 Raise public profile (with external PR support) and create targeted marketing and communications campaigns to drive increased awareness, use and membership of the Library. With additional focus to attracting and welcoming younger people to the Library.

Achievement:

The Library's public profile has been raised through a series of print and radio interviews and features during the year, including interviews with BBC radio during the Henley

Literary Festival and a feature in the Guardian on the Library's collection of miniature books.

In collaboration with Creation Theatre, the Library staged a sell-out run of 22 performances across six weeks of the stage play 'Dracula'. This followed on from the discovery on the Library's shelves of 26 of the 32 original books that Bram Stoker used to research *Dracula*. The discovery and subsequent staging of the play resulted in media exposure via television (BBC London), radio (Radio 4 and BBC London), various newspapers including *The Times*, *Financial Times*, *Evening Standard* and *Guardian*, and websites such as *The Londonist*. International coverage was gained across Europe as well as in countries ranging from Canada to India.

In the current year, the Library had a feature article in the *Evening Standard Magazine*, in which it was described as "probably the most wonderful library in the world" and the Library was also referred to in the *Financial Times* as "the jewel in the crown of private libraries".

The maximum age for Young Person's Membership was increased from 24 to 26 and there was a 40% increase in Young Person's Members during the year. In addition, the Library started a Trustee Placement scheme to add the voices of two young people to board level discussions.

Membership of the Library increased by 83, the first increase since 2011/12.

The Director was delighted by this growth in membership and that so many young people are now discovering and joining the Library. He noted this growth was continuing in the current financial year – so far, up 250 members since 1 April, and that the number of young people joining continues to be high.

- 2 Create new ways to access and engage with the Library including:
 - a high quality programme of events and outreach activity at the Library and other venues such as at literary festivals or partner venues (which will also contribute to achieving increased awareness of the Library);
 - new ways to join or use the Library aimed at less frequent visitors and those for whom the membership fees are a major obstacle.

Achievement:

The Library has put on a regular and varied speaker event and panel discussion programme, which has proved successful in attracting non-members into the Library as well as building general awareness through the promotion of these events. The Library also partnered with the Henley Literary Festival and the Bloomsbury Institute to stage a number of talks at other venues.

The events programme is also a great way of gaining further publicity for the Library. The launch of the autumn event programme was covered on television (London Live) and the partnership with Henley Literary Festival resulted in a lengthy BBC Radio Berkshire feature.

The Library also launched its Emerging Writers Programme and the Director noted the Library was delighted to be able to help new writing talent to emerge – something it is uniquely positioned to do. The Library was very grateful to trustee Daisy Goodwin for chairing the judging panel, which had to select 38 individuals from 600 applications. The Director was keen to make this an annual programme and was currently seeking to raise funds to run it again next year.

The Director noted there were two new tiers of membership, Remote Access and Associate, which launched in April 2019. These are offered at a lower price than full membership and are aimed at those who wish to use the collection and the Library's resources either without full access to the building or at off-peak times. Remote Access membership provides access to the book collection by post and to all on-line resources. Associate membership provides both of those things but also adds use of the Library premises on evenings and weekends.

- 3 Deliver new spaces at the Library to accommodate:
- a growing programme of events, outreach activity and private venue hire
 - more reader spaces (necessary as use of the Library grows)
 - comfortable, catered spaces where members can meet, share ideas and work in a less formal environment.

Achievement:

The Library had delivered 12 new reader spaces to the St James's Square stacks during the year. The Director thanked everyone who gave to the Windows Appeal that enabled that work to happen.

Plans are being developed for works on the Issue Hall, the front basement and the 6th floor of the central stacks to provide new facilities including additional reader spaces, catered spaces and an area for outreach activities to take place.

These plans will depend on the ability to fundraise. However, the delivery of these spaces is a key part of our plan to become sustainable, so work on this will continue in the year ahead.

- 4 Find a new model for the library collection that allows for continued acquisition and maintains the accessibility and usefulness of the collection, while working within the twin constraints of available storage space and cost.

The Director pointed out the Library will need to explore potential solutions such as: the movement of some of the collection to off-site storage; the increased collection of digital versus hard-copy items; and the removal of duplicate content.

Achievement:

The Collections Committee has been overseeing the work on the collection capacity management strategy, which is ongoing. As members may have seen in communications, the Library is in the process of identifying duplicate material in the collection and considering whether there is scope to remove it.

In the meantime, spending on online and electronic resources has increased.

- 5 Increase revenue fundraising (ie, expanding our Founders' Circle, creating an Annual Fund, delivering fundraising events), making fundraising a bigger proportion of our overall income.

Achievement:

Some generous single gifts enabled the Library to exceed its revenue fundraising target by over £150,000 this year. However, the Library also successfully encouraged smaller donations through its annual appeal. The Library has now created the Library Fund which will focus on a particular project each year. This year, the focus was on the toilets on the red staircase. The Director thanked everyone who has already given to that appeal.

The Library will also be having its first fundraising dinner later this week, which will hopefully become an annual fixture.

The Founders' Circle remains central to the Library's annual fundraising and the Director was very grateful for the continued support of all Founders' Circle members.

- 6 Launch a major appeal to 're-found' the Library, consisting of an immediate capital fundraising campaign to finance the creation of new spaces, and a longer-term campaign to deliver a substantial endowment for the Library (returns on which will help support Library operations).

Achievement:

The Library is hoping to launch both the capital and endowment campaigns, towards the end of the current financial year.

- 7 Develop new ways to increase income from other sources, such as private venue hire (which will also support an increased awareness and use of the Library).

Achievement:

The opening hours were changed from January 2019 to allow Wednesday evenings to be available for venue hire, with extended opening hours on Monday and Tuesday to compensate for the earlier Wednesday closure. Income from venue hire is up significantly during the year and this is continuing in the current financial year. Income from selling London Library merchandise is also up.

- 8 Restrict cost increases, finding more ways to work more efficiently and seeking to minimise the impact on members.

Achievement:

All departments carried out a review of direct and staff costs during the year, with savings and efficiencies being identified and implemented whilst seeking to maintain high levels of service to members. Overall cost increases were limited to approximately 1% - well below inflation levels.

The Director noted that the Treasurer had given details of the financial position and was pleased to have reduced the core operating deficit to £737k from £860k the year before. This is expected to reduce again in the current financial year as the Library seeks to hit break-even on core operating costs in 2022/23.

The Director noted there was a long way to go but these first results gave confidence the Library was moving in the right direction and he looked forward to reporting on even better figures at next year's AGM.

The Director finished by thanking all for their ongoing support, whether through continued membership, promotion of the Library to family and friends, or through donations.

The Chairman invited questions from the audience.

The first question asked why there were mechanisms for young members to pay reduced fees but not for retirees?

The Treasurer pointed out the importance of growing membership and that young people are a large part of this which is hoped to continue. Once the core operating deficit has

been addressed the trustees hope to look at this issue. It was also pointed out there was still the Carlyle membership available to those who struggle to pay membership fees and that the annual direct debit fee for full membership had been held without increase for some years.

Stephen Rosser felt that the reduction in the Wednesday opening hours had adversely affected members and that the extended hours on Monday and Tuesday had been of little compensation.

The Director pointed out that overall this would be a positive change as it was implemented to: build the venue hire business, which was currently happening; and, to help meet the needs of members who wished to use the Library in the evenings but found 8pm too early a closing time to make that worthwhile – all the more important now that Associate Membership has been launched. The Director pointed out the Library had remained open until late on Wednesdays when public events were being held, and had, in fact, been open more hours overall than in the previous year as a result.

Jules Lubbock felt that the disposal of books as part of the deaccessioning of was not in the spirit of The London Library and was not the right thing to do, preferring off site storage to book disposal.

The Director pointed out it was important to keep a living collection and to continue acquiring books at the current rate whilst suffering from a lack of space is a major issue. The Director went on to explain the selection process was very carefully done and had in fact happened before in the Library's history. The usage of the books and the availability of duplicates in physical form within the Library or online were all taken into account, as was the financial value of the books. The Chair also pointed out that while this task was undertaken by the executive, that he felt it was the trustees that take responsibility for deaccession.

Ian Gowans pointed out the route between Mason's Yard and Duke of York street had been blocked by building works beyond the 6-month period previously stated and asked if the Library had any recourse to get the passage reopened. The Director said the Library would look into this.

Isobel Laidler asked what the Library was doing to tackle environmental sustainability.

The Director replied the Library was in the process of setting up an environmental group who will bring suggested environmental improvements to the Executive. The Director also pointed out the Library was looking into moving to LED lighting but that cost was a factor to be considered.

David Miller wanted to know why the suggestions book had been removed as he felt it provided a sense of community and was amusing for members to read through.

The Director replied that the book had not been amusing to all as some had commented on its potential to be divisive. He went on to say that the book was mostly used for providing book suggestions and feedback on facilities which would be much more efficiently dealt with by email since responses had been taking up to four months to respond to. However, the Director pointed out he did want to continue building a sense of community at the Library and that this was being achieved through the events programme. Furthermore, the Library was exploring the option of an online forum.

Another member pointed out that a forum may work but may need monitoring by the Library.

A member pointed out that the cost of online collections is increasing and suggested that the Library should not abandon hard copies.

The Director responded that the Library was aware of increasing fees for online material and while, as a lending library, we would never abandon hard copy books, there have been instances where we have moved from purchasing certain items in hard copy and, instead, were purchasing the digital versions.

Peter Ratzler, who used to chair the Building Committee, asked if the trustees were still committed to the plan from some years ago that included the building of more room for the stacks and storage of books.

The Chair responded that this strategy was reviewed and the trustees decided this wasn't the best way forward. The focus now is on the core operating deficit and increasing membership and that capital funding was to be focused on providing more space for events and outreach programmes. The Chair also pointed out that the current plans for deaccessioning would give the Library several years' worth of acquisition space.

Isobel Laidler asked if the Library has considered participating in other literary festivals.

The Chair responded that this was something the Library was actively pursuing.

Colin Stevenson asked, after recent staff changes, if the Library had enough staff to continue its good work.

The Director replied that the number of staff has actually increased but the full-time equivalent of staff had, indeed decreased slightly with more staff working part time. One of the areas that requires keeping a tight control over was staff costs and that this was being done without impacting the member services provided.

David Bradbury pointed out that other libraries that have gone through deaccessioning of their collections had run into trouble further into the future and asked the Board be careful when deciding to do this and asked that members should be kept informed. The Chair agreed.

A member pointed out it was difficult to find lone desk space and that it would be useful to increase these.

The Director noted that there was, unfortunately, limited potential for more single desks in the stacks. However, he suggested that if ever a member couldn't find a desk to suit their requirements to please speak to the front desk where someone will try to assist in finding something for the member.

There being no further questions, the Chairman moved to the formal business of the meeting.

By a show of hands, the members approved the minutes of the 177th Annual General Meeting.

By a show of hands, the members approved the adoption of the 2018-2019 Annual Report and Accounts.

By a show of hands, the members approved the reappointment of MHA MacIntyre Hudson as the Library's auditors.

By a show of hands, the members approved the reappointment of Howard Davies, having been nominated by Philip Broadley for his second consecutive term as Chairman.

By a show of hands, the members approved the appointment of Alain Aubry as a Trustee.

By a show of hands, the members approved the reappointment of Will Harris for his second consecutive term as a Trustee.

By a show of hands, the members approved the reappointment of Giles Milton for his second consecutive term as a Trustee.

By a show of hands, the members approved the reappointment of Rick Stroud for his second consecutive term as a Trustee.

The Chairman proposed Josie Rourke as Vice President. By a show of hands, the members approved the appointment of Josie Rourke as a Vice President.

By a show of hands, the members approved the 2019 fee proposals to increase the ordinary annual fee by £5 from £535 (£44.58 per month) to £540 (£45 per month) in 2020. This represents a below inflation increase of 0.9%. Proportionate increases will be applied for the other annual membership categories. The ordinary annual fee for those paying by annual direct debit will remain at £510.

By a show of hands, the members approved the increase to the maximum age for Young Person Membership by 1 year from 26 to 27.

The meeting closed at 7:15pm.