

MINUTES OF THE 100th ANNUAL GENERAL MEETING OF
THE ROYAL INSTITUTE OF INTERNATIONAL AFFAIRS
HELD ON 30 JULY 2019 AT 5PM AT CHATHAM HOUSE

Present:

Lord Jim O'Neill (Chairman)
John Berriman (Honorary Treasurer)
Dr Robin Niblett (Director)
Paul Curtin (Secretary)
55 members
13 members of staff

The Chairman welcomed members and staff to the 100th Annual General Meeting (AGM) of the Royal Institute of International Affairs (the 'institute') hereafter also referred to as 'Chatham House'.

I. PRESENTATION OF THE ANNUAL REPORT & ANNUAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

Chairman's Remarks

The Chairman noted that he had been delighted to be elected chair of Chatham House and was pleased to have the honour to lead such a remarkable institution, and in particular the opportunity to build on the legacy left by Stuart Popham, who had stepped down last year. Looking forward to the institute's centenary year in 2020, his ambition was to ensure that the institute had an even better future than its illustrious past.

With world-leading convening power, combined with the institute's capacity to deliver leading cross-cutting research, Chatham House had a unique advantage in the field of international relations. This had been highlighted over the past year by for example:

- Bringing together 470 delegates from 91 countries to discuss ideas for Modernizing a Rules-based International Order at the institute's annual London Conference;
- Hosting five heads of state or government, four Foreign Ministers, two US Presidential nominees for the Democratic Party and leading voices from the private sector and civil society at Members Events.
- Hosting Theresa May's last speech as Prime Minister in July.

The Chairman also noted that by combining the strength of its global branding and convening power with the strengths of its research teams, the institute could improve its impact on policy. In particular, it could do this by effectively addressing the big global challenges around sustainable and inclusive growth; avoiding geopolitical tensions; and developing new governance systems. To help in its future development the Chairman was delighted that Chatham House had been awarded earlier in the year a £10 million grant to create the Stavros Niarchos Foundation Wing, which would house key parts of the

institutes research, the Queen Elizabeth II Academy, and a new collaboration space known as the “CoLab” to help Chatham House engage with new audiences.

The Chairman highlighted the drive for more engagement with the next generation of members and the need to attract a younger, more diverse, international audience. During the year several initiatives had been taken towards this goal, including:

- The Common Future Conversations Project. The project was currently engaging young people from 13 countries across Africa and Europe to identify their shared concerns and was enabling them to work together to identify solutions using online platforms and face-to-face meetings;
- The World Today magazine had launched the first of an annual student essay competition, partnering with the Financial Times;
- A new collaboration between the Queen Elizabeth II Academy and IntoUniversity to run a series of workshops outside of London, with events in Liverpool and Manchester later this year. The workshops would create a network of under-30s who would act as “ambassadors” to grow Chatham House’s visibility beyond London.

The Chairman mentioned that 2020 marked 100 years since the founding of Chatham House, then known as the British Institute of International Affairs. Renovation work had already started in key public areas of the building and, at the end of the year, a new installation on the main stairwell would highlight pivotal moments, outputs and speakers from the last 100 years. A new website would also be launched in early 2020, that will provide members with a more tailored and efficient service and feature an interactive timeline of Chatham House’s history. In addition, several Centenary-related events were being planned, including a summer party for all members and staff.

The Chairman noted that over the last year the institute had been working to make sure Council had the optimal structure to handle the more intense operational and financial pressures all charitable institutions were facing. The Chairman thanked his colleagues on Council for their support and, in particular, Alistair Burnet, Martin Fraenkel and Barbara Ridpath, who were stepping down from Council this year after a combined total of 15 years’ service. The Chairman also noted with sadness the passing of Peter Montagnon, who served on Council from 2011 to 2018.

The Chairman paid a special tribute to Paul Curtin, who was retiring in December, following over 13 years of service as Finance and Operations Director and Council Secretary. Paul had worked with a succession of Honorary Treasurers to stabilise and then professionalise the institute’s financial operations after a particularly turbulent period in its history. Finally, the Chairman thanked the Director and staff for their dedication and was looking forward to working with them during the exiting and celebratory year ahead.

The Chairman then opened the floor to questions and comments on the Annual Report and Annual Review.

As there were no questions, the Chairman asked for a motion to adopt the Annual Report.

Cassandra Scott Hayward proposed and Anne R Fuller seconded. The motion was passed unanimously on a show of hands.

II. PRESENTATION OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

The Chairman asked the Honorary Treasurer, John Berriman, to present the Accounts.

Financial Presentation

The Treasurer extended his own personal gratitude to Paul Curtin for all his support to him and his predecessors as Honorary Treasurer, and to the entire Finance team for their assistance over the year.

The Treasurer referred to his report in the Annual Review, specifically pages 34-35, noting that 2018/19 had been a very challenging year financially, with the institute incurring a net deficit in the year.

On the operational income for the year, he noted that operational revenues were essentially flat compared to the previous year. This was mainly due to virtually no growth in either research or membership income. With research undergoing a period of consolidation, with three programme leadership changes during the year and an overall fall in the number of permanent research staff, there had been an inevitable slowdown in the growth of the research contribution to operating income. Although revenue from corporate membership was slightly up, total numbers of individual members plateaued during the year (although the Treasurer noted that Chatham House continued to provide strong value for money for all the members).

Encouragingly, unrestricted donations, including major donor fundraising, increased by 7%, from £896k to £959k. The Treasurer pointed out that since 2010 income from these sources had risen over fourfold and the institute was very appreciative of the generosity of all the institute's donors.

The Treasurer noted that careful cost management of conferences saw slightly improved event margins from 27% to 28%, albeit on slightly lower income.

Total operational expenditure for the year was £17.4m, just 3% higher than the previous year. Most of the higher operational costs were due to the continued investment in the institute's infrastructure, including its IT capabilities, web development and communications activities, along with the first full-year costs of occupying the ground and first floors in Ames House.

Costs were also indirectly affected by two important initiatives - supporting the growth and development of *The World Today* and engaging with future leaders under the Common Futures Conversations project, which the Chairman had highlighted under his remarks. Both these activities were fully funded, the former by the Stavros Niarchos Foundation and the latter by the Robert Bosch Stiftung.

With respect to its balance sheet, the Treasurer noted that the institute continued to hold a considerable amount of its net assets in non-cash investments, with a market value of £8.9m compared with £9.1m the year before. The decrease in market value had been partly due to the disposal of some investments held in the Newton Real Return Fund.

For the future, both Council and the Executive were determined that the institute should return to making an annual surplus and rebuild the reserves over the longer term. The Treasurer highlighted four actions the institute was taking to generate higher levels of unrestricted income in the current year. These were:

- Research Income Pipeline: Approved research grants increased significantly from £6.8m in 2017/18 to £12.4m in 2018/19, providing a strong research income pipeline for the future;
- Discretionary Revenues: Specific steps had been taken to increase the overall level of discretionary revenue;
- Ames House: Following the receipt of the £8m (from a total of £10m) from the Stavros Niarchos Foundation, the institute had been able to exercise the existing option to purchase the first and second floors in Ames House. With the purchase and occupancy of all the floors in Ames House there would be an overall annual saving in future budgets of some £370k on annual rental costs.
- Centenary: The institute's centenary in 2020 will provide an opportunity to leverage the landmark event to raise significant funds over the course of the next 18 months.

The Chairman then opened the floor to questions and comments on the Annual Accounts.

Tangy Morgan, member, asked about the outlook for investment income for the coming year, as there had been a drop in 2018/19. The Treasurer clarified that although investment income had dropped slightly (7k – 3%) there had been an overall positive return this year based on the gain in value, as against an overall negative return the previous year. He noted that the institute's investments were managed through Cazenove, who handled 80% of Chatham House's investment funds with the balance being invested with Vanguard. As with any investment fund, the returns were influenced by the state of the financial markets at the time. The decision to recently move investments from Newton to Vanguard, as highlighted in his remarks, was due to the poor performance of the fund but this had affected investment income in that not all the monies had yet been reinvested.

Fiona Lean, member, asked how the research pipeline had increased from £6m to £12m. The Director referred to the Treasurer's comments on the consolidation of the research programmes and noted that there had been a slowdown in research funding requests in 2017/18. Recognising this, there had been a drive by the institute to reengage with funders at the beginning of the last financial year. This had resulted in an exceptional 70% success rate over the past year in securing research project funding from private foundations and government agencies. The Director noted that the £12 million would not be received by the institute in one year but would be released to the institute as the projects were executed over the next two or more financial years. The Treasurer added that a new committee of Council members had been recently formed to specifically oversee research and to provide Council with a deeper understanding of all the facets of the institute's research. The new Research Committee would work closely with the Finance Committee to help oversee the institute's research finances.

Peter Schellinck, member, asked if the institute had requested any money from Horizon 2020 or any other EU fund. The Director confirmed that the institute had received some EU funding for research projects in recent years, but far less than for example, its European counterparts or UK Universities. Chatham House found the application, delivery and reporting processes for EU grants notably arduous, and the institute tended mostly therefore to pursue EU grants only when teamed up with other lead partners. The result was that the institute was currently less exposed than many other similar institutions to a fall in EU funding in the event of Brexit.

As there were no further questions the Chairman asked for a motion to adopt the Accounts.

Fiona Lean proposed and Martin Fraenkel seconded. The motion was passed unanimously on a show of hands.

III. ELECTION OF MEMBERS TO COUNCIL

The Chairman reminded members that this year there had been six vacancies for Council and five existing Council members willing and eligible to be re-elected for a second term.

As per previous years, there were an exceptionally high number of well-qualified applicants who applied to serve on Council. After careful consideration and guided by their terms of reference to exercise discretion on the suitability, effectiveness and skill sets of the nominees, as well as having regard to the Council's diversity, the Nominations Committee had put forward 10 applicants. Since this exceeded the number of vacancies an election was necessary.

The Chairman congratulated the six members who had been elected and would begin their 3-year term on Council:

- **Mimi Ajibadé** – re-elected to Council. Mimi was originally co-opted to Council in 2015 before being formally elected in 2016. During her time on Council she had also served on the Finance and Nominations Committees. She was currently Group assistant Company Secretary with ALL3Media Ltd and Research Associate SOAS Centre for international Studies and Diplomacy. Prior to that she had held a variety of senior posts with large organisations such as BHP and Intercontinental Hotels Group mainly in Company Secretarial roles. Mimi holds a Doctorate from the School of Law, SOAS, University of London. *Mimi's aim for her second three-year term was to support Chatham House in its development into a technologically agile learning organisation that will ensure sustainability into the future.*
- **Heide Baumann** - re-elected to Council. Besides serving on Council Heide had been instrumental in setting up and chairing the Digital Working Group, now a formal Committee of the Council. The remit of the Committee was to shape a vision of how a 21st Century Think Tank can prosper in time of rapid technological transformation. In addition, she had served on the Nominations Committee. Heide was currently undertaking a PhD at Cambridge University having previously held senior positions at Liberty Global and BT for over 15 years. *In her next three years on the Council of Chatham House Heide was looking to support moves towards a more effective engagement with members and also to wider audiences, particularly the young.*
- **Kenn Cukier** – re-elected to Council. During his time as a Council Member, Kenn had also served on the recently formed Research Committee. He was currently a Senior Editor at the Economist, having worked there in a variety of roles over the past 15 years. Prior to that Kenn was a Research Fellow at Harvard and Technology Editor at the *Wall Street Journal Asia*. Keen was an expert on 'big data' having written a number of books on the subject. *The themes of Kenn's focus as a Council member going forward will be: 'resources' (more funding for research and events), 'big ideas' (addressing bigger issues rather than small bore research topics) and 'digital' (such activities need to improve so the Institute's work has more relevance with current stakeholders and younger professionals).*
- **Sir Simon Fraser** – re-elected to Council. Simon served as the Deputy Chairman of Council, a role he had held for the past three years. In addition, he chaired the Nominations Committee and was also a member of the Executive Committee of Council. He had also acted as an advisor to the Chatham House Europe Programme. Previously Simon had worked at the Foreign Office for 30 years, ending his career there as Head of HM Diplomatic Service. Since 2015 he had been Managing Partner of Flint Global Ltd. *In his second term as a Council Member, Simon is looking to help support Chatham House in delivering a successful centenary programme in 2020 and beyond.*

- **Anita Lowenstein Dent** – elected to Council. Anita’s first career was as a documentary producer for the BBC, making a variety of specialist and general, arts and history programmes. Since 2013 she had worked in international development, founding Teach2Teach International in 2017. This was a DFID funded international NGO working to improve national education systems in areas of extreme poverty. *Anita felt that she would be able to bring to Chatham House her current knowledge of steering an institution working in challenging international environments. In addition, with her editorial experience in producing documentaries, she felt that she would be able help shape the thinking around Chatham House’s profile, events and broader communications strategy.*
- **Tim Willasey-Wilsey** – re-elected to Council. Tim was first elected to Council in 2016. In addition to serving on Council, he was also a member of the Nominations Committee and the newly formed Research Committee. He was a book reviewer for the *International Affairs* journal. Tim had served in the foreign office for 27 years before joining the Royal Bank of Scotland as an international advisor. He was currently also a Visiting Senior Research Fellow at King’s College, London as well as a writer and contributor to a range of organisations and publications such as the Daily Telegraph and RUSI. *In his second term, Tim was looking to support Chatham House in ensuring the maximum impact in the delivery of its research activities.*

IV. PROPOSED UPDATES TO THE CHARTER AND BYE-LAWS

The Chairman asked the Paul Curtin, Secretary to Council, to outline the proposed changes to the Charter and By-Laws.

The Secretary stated that in early 2018 Chatham House had instituted a review of its governance and commissioned an independent organisation (NPC – New Philanthropy Capital – a firm of charity consultants) to undertake the review. One of the recommendations from the report was to reduce the size of the Council to comply with the Charity Commission guidelines, in particular the Charity Governance Code. The aim was to reduce the number of Council members, currently at 18, towards the Commission’s recommended maximum of 12 in the coming years.

In order to reflect the reduction in the size of Council it was necessary to change the Charter and Bye-laws, both of which specified the maximum and minimum number of members of Council. During this process, Chatham House had taken the opportunity to update the Charter and Bye-laws on other areas on the advice of the institute’s Charity lawyers, Stone King. In addition, the amendments of the Privy Council’s advisors based on a letter received in November 2013 after the previous set of changes had been agreed by members, was also now being implemented. The Secretary pointed out that the Council had formally approved all the changes to the Charter and Bye-laws and that they had been made available on the website prior to the meeting. In addition, hard copies had been distributed at the meeting.

It was noted that members would be asked to vote on a total of four resolutions. One to approve the changes to the Charter and one for the changes to the Bye-laws, and two others to authorise the Secretary to Council to finalise any further minor amendments with the Privy Council office and to undertake all necessary steps to get the changes to the Charter and Bye-laws implemented.

In summary the changes proposed by the institute included:

- Firstly, the size and composition of Council. This included:
 - Having the size of Council laid down in the Bye-laws rather than also in Article 9 of the Charter.
 - Amending Bye-law 33 so that the size of Council was a minimum of 10 and a maximum of 20 members, of which up to five may be co-opted, rather than the current minimum of 15 and maximum of 25 and five additional co-opted Councillors, plus the Honorary Treasurer and any Honorary Secretaries. The proposed amendments to reduce Council were closely aligned with the recommendations of the Charity Governance Code referred to previously. In line with the reduction in the maximum size of Council, the quorum was being reduced to seven Councillors, which was a slight reduction from the current quorum of 8. The institute considered this appropriate in such circumstances to give credibility to the decision-making and the relatively high turnout at Council meetings.
- Secondly, clarifying provisions for filling casual vacancies and co-option of trustees.
 - At Bye-Law 37, the institute proposed to distinguish between Councillors chosen to fill casual vacancy under Bye-Law 34, who served only until the next AGM, and co-opted councillors, who served until the second Annual General meeting following their co-option. This would enable the Council to temporarily fill a vacancy until the members could elect a replacement at the next AGM; whereas the purpose of co-option was usually to equip the Council with specific skills, experience or knowledge which might be required over a longer period.
- The other five proposed changes were less significant and included:
 - Improving and clarifying Council procedures;
 - Reflecting modern law and current or intended practice;
 - Correcting minor inconsistencies and errors;
 - Bringing in gender neutral terminology;
 - Implementing the late amendments of the Privy Council's advisors in November 2013 letter.

The Chairman then opened the floor to questions and comments on the proposed updates to the Charter and Bye-Laws.

As there were no questions, the Chairman asked firstly for members to approve the Special Resolution to amend the Charter. The motion was passed unanimously on a show of hands.

Secondly, the Chairman asked members to approve the Further Resolution authorising the Secretary to Council to finalise any further minor amendments with the Privy Council Office and for him to undertake all necessary steps to get the changes to the Charter implemented. The motion was passed unanimously on a show of hands.

Thirdly, the Chairman asked members to approve the Resolution to amend the Bye-laws. The motion was passed unanimously on a show of hands.

Finally, the Chairman asked members to approve Further Resolution authorising the Secretary to Council to finalise any further minor amendments with the Privy Council Office and for him to

undertake all necessary steps to get the changes to the Bye-laws implemented. The motion was passed unanimously on a show of hands.

V. RE-ELECTION OF A PRESIDENT

The Chairman noted that one of the three presidents, Sir John Major, was due to retire at this AGM. Council was recommending that members approve an exceptional extension of Sir John's second term by one year, so that he could continue to play his important role as one of the three Presidents into the Institute's Centenary year.

As there were no questions or comments about the extension, the Chairman asked for a proposer and seconder. Stuart Popham proposed, and Michael Nieto seconded. The motion was passed unanimously on a show of hands.

VI. ELECTION OF AUDITORS

In accordance with Bye-law 62, the auditors need to be elected annually by the members of the Institute at the AGM. The Chairman reported that the Finance Committee of Council, chaired by the Honorary Treasurer, had recommended that Buzzacott should be re-elected as Auditors for the coming year.

As there were no questions or comments about the appointment, the Chairman asked for a proposer and seconder. Roger Middleton proposed, and Martin Fraenkel seconded. The motion was passed unanimously on a show of hands.

VII. ANY OTHER BUSINESS

The Chairman informed members that the formal items on the agenda were now complete, but before closing the meeting he asked if there were any other questions.

David Schofield, member, questioned whether any thought had been given to providing members with more facilities like an informal lounge to relax and have refreshments. The Director acknowledged that this was a reoccurring question and suggested that an audit of the meeting rooms usage could possibly provide a co-opted space that could be used by members when not being used for events. However, with more suitable space for staff to engage in collaborative work now available in the new SNF Wing, the library was currently the most logical space for members. The Director was also aware that a previous member's lounge had been redirected to staff about 15 years ago and did not want this to reoccur in the future.

John Wilson, member, asked first who represented the members interests. The Chairman confirmed that one of the key roles of Council, whose members are elected by the members, was to represent the members. The Director added that it was Council who set both the individual membership and corporate membership rates. Mr Wilson then referred, second, to the comments on the website development and asked if the upgrade would include linking the details of the speakers with the event registration confirmation emails. To do this currently was a manual process which couldn't always be carried out by the Members' Events team. The Communications and Publishing Director, Keith Burnet, confirmed that the linkage between the website and the institute's database would be vastly improved with the implementation of a new CRM system and the redevelopment of the website next year when these points raised would be addressed. Finally, Mr Wilson raised an issue on 'Ask Chatham House', the

website application that allowed members to ask questions to Chatham House researchers. He said that none of the questions he had submitted had ever been answered. The Head of Members Events, Nick Cressy, confirmed that due to limited resources Chatham House was unable to answer all the questions received and also that some of the questions were difficult to answer in the format currently being used. Being aware of the issues, the application was being reformatted and from September a preannounced researcher would be available to answer a broad selection of questions received on their area of expertise on a monthly basis. The answers would then be published on the website.

Robert Gardner, member, said he had written a letter to Chatham House indicating that he thought Chatham House, at times, gave the impression of being left-leaning, and that the institute should be aware this could affect impressions of its neutrality and independence. The Director noted that the institute took care to try to host a broad spectrum of perspectives. As an illustration of non-left leaning speakers, he pointed to recent speakers such as Benjamin Netanyahu and Nigel Farage. He also noted that many invitations had been extended to members of the Trump administration, but members of the administration had spoken publicly abroad only rarely, and only Woody Johnson, US Ambassador to the UK, and Kevin Hassett, Chairman of the White House Council of Economic Advisers, had spoken at private meetings at Chatham House. The Director observed that politics were now much more polarised than in the past, and government officials tended to select venues that would reflect their views rather than speak at a venue that was viewed as representing the centre ground, with challenging questions and a diverse audience. The Director acknowledged that what the institute published might indeed be viewed as leaning to one side of a particular debate or another. However, it was his and his senior colleagues' job to ensure that what it published was objective and evidence-based, even if the evidence took it to one side of a particular debate. The Chairman said that being independent was a recognised strength of the institute's and referred back to his opening remarks on the future and refocused priorities for Chatham House which were to help the world to come to an improved form of global governance which, with the current challenges presented by the US government, would be difficult to achieve.

Nicholas Blackwell, member, praised Chatham House for the strength, depth and openness of the debates and discussions held at the members events. He commented that the value for money from Chatham House membership was from members being able to engage in these debates, which was more important than additional facilities such as a 'club'.

Hanif Adeel, member, asked how the balloted events were processed and if it could be improved. The Head of Members Events confirmed that the all registered names for a balloted event were entered into an excel spreadsheet and the data then randomised. The order of the randomised list was then used to allocate the spaces available at the event. Once all the spaces were allocated, the remainder of the list was then put on a waiting list. It was noted that when the new CRM system was launched next year, the Members team would have the ability to monitor whether particular members had either been successful or unsuccessful more frequently than others on the balloted events, which would help improve the current process.

As an additional point, Mr Adeel added that the institute could look into locating a members' room at a different venue if there was no space at Chatham House. The Director cautioned against the likely costs of such an option. The Chairman mentioned that he had been approached by new clubs in the local area with a view to collaborate with the institute. However, he noted that any collaborative venture would also likely involve an additional cost to members.

Fiona Lean, member, asked how Chatham House was engaging with young people to attract them to the institute. The Chairman highlighted that one of the Council's priorities was to make Chatham House more inclusive for the younger generation. Council had created a Digital Sub-committee in order to explore new ways of engaging younger members. The institute had also hosted a forum recently specifically to get feedback from younger members on how Chatham House could use technology to engage with them better. He also referred back to his remarks under the first agenda item regarding the IntoUniversity initiative, which involved a series of workshops in the UK outside London. Another proposal being discussed was to run events on Saturday's specifically for the younger generation. The Director added that the cover of the Annual Review derived from the Common Future Conversations Project, where Chatham House had set-up a dialogue with young leaders from countries across Africa and Europe and who were setting their own projects. Other initiatives also included the introduction by the Academy of a one-day global insight courses with young leaders from across the world and the London Conference, which made a point of extending invitations on a multi-generational basis with the support of a number of third party fellowship programmes. Finally, the Director highlighted that Chatham House was now providing paid internships through the Annual Fund as a way of encouraging a broader range of young individuals to apply.

Ben Stokes, member, understood the point made about Chatham House not wanting to take any party-political label, but thought that the institute stood for international cooperation, for example, and asked how Chatham House communicated this publicly. The Director noted that the bulk of its research agenda was focused on proposing ways to strengthen international cooperation given that this was the best way to confront global risks and take advantage of opportunities. The Chairman highlighted how the Chatham House Rule was a powerful asset for people with different views to meet and compare views on sensitive topics during this difficult period in international affairs.

Mimi Ajibadé, Council member, reminded members about the current survey platform on the website and mentioned that the questions being asked were similar to those that had been raised at the meeting. For example, it asked if members wanted to receive new materials containing "for" and "against" arguments. The feedback from the survey would ascertain the level of demand for this sort of new output.

As there were no further questions, the Chairman reminded members that the minutes of the meeting would be published in due course, in the members' area of the website. The Chairman then thanked members for coming and invited them to stay for refreshments in the SNF Floor in Ames House.

The meeting adjourned at 6.30pm.