



Oxford Cambridge and RSA

Wednesday 7 June 2023 – Morning

A Level Business

H431/02 The UK business environment

Resource Booklet

Time allowed: 2 hours



INSTRUCTIONS

- Use this Resource Booklet to answer the questions in **Section B**.
- Do **not** send this Resource Booklet for marking. Keep it in the centre or recycle it.

INFORMATION

- The organisation described in this Resource Booklet is a **real** organisation.
- This document has **8** pages.

THE NATIONAL TRUST

The National Trust (NT) is a charity founded in 1895 by three people who saw the importance of the UK's historic properties and open spaces and wanted to protect them for everyone to enjoy. Nearly 130 years later, it owns and looks after:

- 780 miles of coastline
- more than 620 000 acres of land
- more than 500 historic houses, castles, ancient monuments, gardens, parks and nature reserves.

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NT relies on the support of its members, visitors, donors and volunteers, as well as income from grants and commercial activities, such as gift shops and catering, to look after the places in its care (see Table 1).

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Table 1
Summary of NT's finances for the year ended 28 February 2021

Income (£m)		Expenditure (£m)	
Membership fees	267.6	Property operating costs	263.9
Catering and gift shops	62.8	Property maintenance	83.8
Rental income	46.6	Conservation services	53.9
Donations	44.6	Membership administration	52.8
Grants	20.3	Enterprise costs ¹	35.5
Investment income	17.3	Investment management fees	13.0
Admission fees	8.4	Fundraising costs	3.6
Other income	40.1	Other costs	8.1
Total	507.7	Total	514.6

¹Mainly the costs of running catering & gift shops

Source: Adapted from National Trust Members' AGM Booklet 2021

Membership numbers currently exceed 5 million, with an annual membership fee of £72 for an adult and £126 for a family group – this entitles the member(s) to free entry to all NT properties. Non-members can visit all NT properties for an entry fee.

NT uses quantifiable Key Performance Indicators (KPIs) to help identify the achievement of a range of aims and objectives (see Table 2). Due to the Covid pandemic, these KPIs were temporarily suspended for the financial year 2020/21.

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Table 2
A selection of NT's Key Performance Indicators (KPIs)

	2019/20 – target	2019/20 – actual
Energy reduction	13%	7%
Service quality ¹	65%	63%
Visitor numbers	28.7m	28.0m
Membership retention	85.4%	85.4%
Fundraising income	£93.9m	£95.2m
Operating margin ²	21.2%	21.4%

¹The proportion of visitors who rate the service they received as excellent

²Total income less total expenditure as a percentage of total income

Source: National Trust, Annual Report 2019/2020

As the UK's largest membership organisation, NT relies on word of mouth for much of its promotion. However, it also carries out national and local advertising, based around selected properties. In 2021, this included plans to raise £498 000 to restore the garden at Kingston Lacy in Dorset, £6m to repair the roof at Oxburgh Hall in Norfolk, and £80 000 for vital repairs at Killerton Chapel in Devon. 20

As well as using internet-based 'pop-up advertising', NT has its own YouTube channel (14 700 subscribers) and accounts on Facebook (900 000 followers), Twitter (925 000 followers), Instagram (1.2m followers) and Pinterest (101 000 followers).

The current 10-year strategy of NT is called 'Playing our part'. It sets out what NT wants to achieve by 2025 (**see Extract A**). 25

Extract A
Playing our part: NT's 10-year strategy to 2025

Our ambition is to meet the needs of an environment under pressure, and the challenges and expectations of a fast-moving world. We provide access to extraordinary places and want to make sure that people can experience them in ways that deepen their understanding. We will: 30

- Help look after the places where people live by:
 - finding new solutions for managing local parks and green spaces
 - helping people to improve the care of, and access to, local heritage.
- Play our part in restoring a beautiful natural environment by working on our own land and with our tenants to: 35
 - make sure all of our wildlife sites are in good condition
 - restore nearly 100 square miles of new wildlife habitats.

- Create experiences of our places that teach and inspire by: 40
 - providing a high standard of service at the places we look after
 - offering a more dynamic and engaging experience – for all ages and needs.

We will continue to increase our relevance and accessibility to people with all kinds of interests and backgrounds.

Source: Adapted from National Trust, Annual Report 2017/2018

NT wants to treat its stakeholders in a fair and ethical manner. For example, all of NT's suppliers must agree to certain terms and conditions. Its website states that:

“We aim to work with suppliers who share our values and avoid business practices which harm the environment or individuals and communities. Unless we have specifically agreed otherwise with you we will pay the price of the goods and/or services 30 days from the later of (a) the date of invoice, or (b) the date the goods and/or services are received.” 45

NT also follows the 'UK Code of Fundraising Practice' to ensure an ethical approach to fundraising (**see Extract B**). 50

Extract B **NT's fundraising activities**

We do:

- send appeal letters, raffle tickets and other fundraising communications to supporters who have opted-in to marketing;
 - engage in fundraising activity at properties where staff and volunteers sometimes ask for donations and sell raffle tickets;
 - invite donations via our website and collection boxes.
- 55

We do not:

- sell or pass on our supporter details to any other organisation;
 - use external agencies to fundraise on our behalf;
 - engage in street or door-to-door fundraising;
 - make uninvited calls to supporters asking for donations.
- 60

All our fundraising mass marketing appeals are on an opt-in basis, and supporters can manage their permissions online.

Source: Adapted from National Trust, Annual Report 2020/2021

As well as employing over 10 000 staff, NT relies on the support of more than 50 000 volunteers, both young and old. They give their time freely to help the day-to-day running of the services provided by NT. Volunteers may be found as room guides in historic houses, helping in the gardens, or collecting litter around the UK coastline. NT has introduced a database to support the management of its volunteers. This database, known as 'yourvolunteering', holds data to provide better support for volunteers. This includes managing communications, improving the expenses process and better recording of data, such as the length of time volunteering and the amount of time volunteered during the year. 65

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NT wants to be an inclusive, welcoming and sustainable organisation. It aims to support the welfare of its staff and volunteers, helping them to respond to a fast-changing business environment. The organisation regularly features in 'The Sunday Times Best Places to Work' survey of the top 20 not-for-profit employers in the UK. 75

NT is keen to provide the right training, systems and ways of working to help deliver its human resources strategy. To achieve this, in recent years, the organisation has:

- delivered over 19 000 days of training to help develop the skills of its staff, including the catering teams and the heads of department of each NT property.
 - trained over 700 new line managers as part of the 'Great People Management' programme, helping them to become more confident leaders.
- 80

- invested in technology to improve efficiency by installing new cash tills and broadband to most properties. A hardware update programme also means staff now have the laptops and mobile devices they need to carry out their roles. 85
- created an online resource for staff containing advice on maintaining physical and mental wellbeing.

As a charity, NT also recognises the importance of being transparent about how it rewards its staff (see **Extract C**).

Extract C **NT's reward policy**

Our reward policy recognises our staff are not only motivated by pay. We reward our staff on their individual performance and contribution to the delivery of the NT strategy. Every year, we compare our pay rates against those in the public and not-for-profit sectors, and we agree our pay arrangements with our trade union, 'Prospect'. 90

Our gender pay gap report shows that in April 2020 the average hourly rate paid to men employed at NT was 7.9% higher than the average hourly rate paid to women. This is a 3% improvement on the previous year's gender pay gap and is below the national average of 15.5%. Our gender pay gap is mainly caused by having a higher proportion of women in lower graded roles and we have a plan in place to close it. 95

Each year, we monitor the 'pay ratio' (the relationship between the highest salary and the median salary of NT employees) to ensure that salaries remain fair. In 2020, the ratio was 9.3:1 which compares favourably to external benchmark data. 100

Source: Adapted from National Trust, Annual Report 2020/2021

NB: All data was correct at the time of writing (November 2021)

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