

HISTORIC ROYAL PALACES

MEETING OF THE BOARD OF TRUSTEES

The Tower of London , Wednesday 28th September 2005

Minutes

Present:

Trustees;
Lord Inge (Acting Chairman)
Bridget Cherry
John Hamer
Angela Heylin
Malcolm Reading
Sir Hugh Roberts
Sir Roger Wheeler

In attendance:

Michael Day - Chief Executive
Alyson Lawton - Trust and Company Secretary

In attendance from Agenda Item 2:

John Barnes – Conservation Director
Geoffrey Field - Governor of the Tower of London
Rod Giddins - Palaces Director
Danny Homan – Director of Communications and Development

Apologies:

Alan Reid
Sally O'Neill - Finance Director

1. Chairman's Comments

- 1.1 Lord Inge, Acting Chairman advised the Board that Sir Nigel Mobbs, the Chairman had written to the Permanent Secretary to confirm his retirement from ill health. The Board noted that during his term of office, he led Historic Royal Palaces with distinction through a period of considerable change including guiding the completion of a major representation of the historic surroundings of the Tower of London in 2004. Two other significant projects were led by Sir Nigel; the restoration of Kew Palace and creation of a new education centre at Hampton Court Palace funded by the Clore Duffield Foundation. The Board wished to formally record their thanks for his support and guidance and sent him and his family all good wishes for the future.

After note: The Acting Chairman wrote to Sir Nigel Mobbs on behalf of the Board and received an appreciative response.

- 1.2 The Board noted the contents of the Chief Executive's report on the process

for the selection of a new Chairman. The Board also agreed that Lord Inge (as Chair), Alan Reid and Angela Heylin should form a small sub committee to assist with this matter. The Chief Executive advised that since the report had been written, the DCMS had proposed to use certain head hunters as part of the search process. The Board asked the Chief Executive to consider with the DCMS how the most appropriate head hunters might be used. The Board agreed that Historic Royal Palaces should contribute to the costs.

- 1.3 A discussion took place about the essential and desirable qualities of a new Chairman which the Board would like to include in a job description.

2. Minutes of the last meeting

- 2.1 The minutes of the meeting held on Wednesday 27th July 2005 were approved.

3. Matters Arising

- 3.1 There were no matters arising

4. The Development Council

- 4.1 Angela Heylin reported that for the next and subsequent Board Meetings, The Board would receive a written report. She noted that the key issue was that although £350,000 had been raised, the Development Council was behind the financial target for fundraising. Although fundraising was not meeting its target, an immense amount of work had been done, for example 45 trusts had been approached in connection with the Clore Learning Centre. She noted that the next event would be the Gala Evening at Kensington Palace on 11th October intended to develop relationships that might prove useful for future fundraising. In particular she noted the immense amount of work being done by Patricia Hodge to represent life at Georgian Kew for the event. She also noted that as the first event of its kind for Historic Royal Palaces, it represented many new challenges for staff at all levels of the organisation.

- 4.2 She also advised that Neil Record had recently become a member of the Development Council.

5. The Chief Executive's Report

- 5.1 The Board noted the contents of the Chief Executive's report and especially:
- The EU Heads of Government Conference at Hampton Court in October. The Board asked the Chief Executive to clarify responsibilities in the event of a major incident.
 - The Annual Pay Review. The Chief Executive noted for the minutes

his thanks to Graham Josephs, The Director of Human Resources.

- His meeting with the Permanent Secretary and quoted from her subsequent letter regarding our Public Corporation Status and the process for contract renewal.
- The Visual Identity work: The Chief Executive explained that a brand book would shortly be published to enable staff across the organisation to produce communications consistent with the new visual identity. Trustees asked how the impact would be monitored. The Marketing Director explained the various methods and also the process in which key internal staff would be briefed and then supported by a management team to address questions. The Conservation Director noted that this was being made easier by an in-house graphic capacity of two people. Trustees asked to be kept informed and in particular for some specific examples of how the identity would be used in practice and to see the brand book.

5.2 Noting the Chief Executive's Report on Kensington Palace, the Director of the Royal Collection considered it important that the Palace did not become too permanently associated with any single past resident. The Chief Executive explained that a large scale proposal for Kensington Palace which would cover a variety of stories about the Palace and its residents was being developed with the intention of submitting a lottery bid. The Board would see proposals in due course.

5.3 The Conservation Director reported on his recent meeting with Wallis regarding their claims relating to the Tower Environs Scheme. After debate, the Board proposed that he discuss matters in further detail with Malcolm Reading.

6. Financial Performance

6.1 The Head of Financial Planning joined the meeting. The Chief Executive explained that prior to her holiday, the Finance Director had reviewed the paper with Alan Reid and that he understood that Alan Reid was in agreement with the conclusions. He explained that the paper had two parts;

- Financial performance to end of August
- The plan of income and savings measures to counteract the ongoing business impact of the July terrorist attacks.

He intended to concentrate on the latter but firstly summarised the Financial performance at the end of August as satisfactory and noted that the last 2-3 weeks had seen a slight improvement above the assumptions about August visitor numbers made following the terrorist attacks. The Board noted the contents of the report.

6.2 The Board asked about the assumptions that would be made in future about gift aid, as the rules were changing at the end of the year. The Director of

Communications and Development noted that Gift Aid would apply to any new memberships, thanks to the work of the Finance team, and explained that the future options for day visitors were being evaluated and agreed to provide a report to The Board at their next meeting.

6.3 The Board asked whether any projects might be re introduced if there were a significant and sustained upturn in visitor numbers against the plan. The Conservation Director explained that although most of the projects postponed were at tender stage, it would be very difficult to bring them back in the current year. The Chief Executive noted that the deferrals would now be looked at as part of the review of the rolling strategic plan over the next three months. The review of the plan would also consider how much of next year's surplus it might be possible to set aside to restore the reserves drawn down this year. Trustees asked about the detrimental effect of a selective freeze on unfilled staff posts. The Chief Executive noted that it was hard to give any reassurance that morale would not be affected as anyone leaving would have some disturbance on the capacity of the organisation.

6.4 The Board approved the new forecast for 05/06 taking both the income and savings into account and noted that it was a good plan in response to a fairly dramatic downturn in visitor numbers.

7. Kew Palace

7.1 The Board noted the contents of the Conservation Director's report. The Chairman emphasised the need to continue efforts to raise money for Kew, noting that otherwise, this would also be a further call on Historic Royal Palaces' reserves.

7.2 The Board noted the content of the Palaces' Directors' report and approved the principal terms of the Agreement with the Royal Botanic Gardens Kew as set out in the report and noted the progress with the Operational Arrangements in preparation for the opening of the Palace in Spring 2006. The Board agreed that quality control aspects at the Welcome centre were very important. The Palaces Director reported that both organisations were in complete agreement on this. There would be Historic Royal Palaces' representatives to meet and greet.

8. Royal Charter

8.1 Trustees commented on the contents of the paper, and agreed that the version presented be forwarded to the DCMS for formal drafting noting that the final draft would come back to Trustees for formal approval.

9. The Ceremony of the Keys

9.1 The Board noted the contents of the report and agreed the recommendation.

The Chairman asked the Chief Executive to monitor this matter closely and report back to Trustees in due course.

10. The Clore Learning Centre

10.1 The Board noted the update on progress and that it was the Chairman's intention, subject to advice, to invite Dame Vivian Duffield to view progress in due course.

11. Security Matters

11.1 The Security Advisor joined the meeting and discussed various matters in his report.

12. The Cleaning Contract

12.1 The Board noted the contents of the report and;

- approved the letting of a comprehensive cleaning contract to Mitie Cleaning London Limited for a period of five years commencing on 1st January 2006 at the price in the report
- noted that the total budget will vary on completion of the re measurement of some areas at Hampton Court and the addition of Kew Palace in 2006
- noted the arrangements for future management of the contract.

13. Any Other Business

13.1 The Chief Executive explained that the next meeting would be on Wednesday 30th November 2005. The meeting will start at 10 am until 2pm (including lunch) to allow 90 minutes of usual business and the remainder of the time for Trustees' strategic review. In view of the earlier start time and later finish, the venue may be moved (to be confirmed) from Hampton Court to the Tower of London.

13.2 The Governor advised Trustees that the choir at the Tower of London would be giving two concerts in the Chapel Royal of St Peter ad Vincula on the evening of Tuesday 20 December as part of the Spitalfield Festival.

14. Date of Next Meeting: Wednesday 30th November 2005