

**HISTORIC ROYAL PALACES
MEETING OF THE BOARD OF TRUSTEES**

**Hampton Court Palace, Wednesday 14th March 2007
Minutes**

Present: Charles Mackay (Chairman)
Lord Inge (Deputy Chairman) (items 2.1 & 2.2)
Bridget Cherry
John Hamer
Angela Heylin
Malcolm Reading
Sir Alan Reid
Sir Hugh Roberts

Apologies: Sir Roger Wheeler

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Annabelle Boyes - Retail Director
Keith Cima - Resident Governor
Rod Giddins - Palaces Director
Danny Homan - Communications and Development Director
Graham Josephs - Human Resources Director
Sally O'Neill - Finance Director
Alyson Lawton - Trust and Company Secretary

1. Opening Business

1.1 Chairman's matters

The Chairman noted that both Lord Inge and Angela Heylin would retire as Trustees at the end of the month. Trustees would have an opportunity formally to express their thanks at an event later this year. As Lord Inge had to leave the meeting early, he proposed that agenda item 4 - the Strategic Plan - would be the first topic for discussion.

1.2 Minutes of the last meeting and matters arising

The minutes of the last meeting held on 31st January 2007 were approved with no matters arising

2. Strategic Development

2.1 *The Strategic plan 2007-10 incorporating the AOP 2007-8 and our vision for the next decade*

The Chairman introduced the plan noting that it was the fourth stage in a process that commenced last September and built on previous discussions with Trustees and on the assumptions approved by Trustees at their January meeting. It was still work in progress in some areas but the substantive change was that the

plan had been developed within the context of a 10 year vision. Important areas such as outreach and education needed to be developed in detail as did some of the longer term financial analysis. The Chief Executive noted that the plan was a summary of detailed work done by all seven Departments and thanked the Executive Board and their teams for the work. He felt that the plan had the right mix of stretch and realism.

Give the Palaces the care they deserve

The Board noted the provisional top ten conservation projects for each of the buildings, interiors and gardens. Lord Inge asked that Queen Charlotte's cottage should not be forgotten. The Chief Executive reminded the Board that some work had been done there this year. The Chairman noted that the ambition to increase conservation investment year on year needed to be quantified beyond the three years of the strategic plan so that Trustees might then consider how to raise the money to achieve it.

Angela Heylin noted that in previous years there had always been a level of slippage in the programme. The Conservation and Learning Director explained that this was usually spent at the beginning of the following financial year. The Finance Director noted that 06/07 was no different and that the Board would be required to approve a designated fund to cover the "carry over" for 06/07 which was estimated at £1.5 million. The Conservation and Learning Director noted that the amount of "carry over" was reducing as the pre-project planning improved. It was felt that the mix of major and minor projects gave flexibility within the programme. Malcolm Reading asked about the "State of the Estate" report. The Conservation and Learning Director advised that his team would be reviewing this report and would bring the results of the review to the September meeting.

The Board observed that the focus seemed to be on projects at Hampton Court Palace. The Chief Executive explained that this was due to both the volume and complexity of projects. However there were also significant projects at other sites such as the restoration of the historic fabric of the White Tower.

Malcolm Reading observed that more opportunities should be developed for specialist knowledge transfer. The Conservation and Learning Director explained the current actions and that it was our ambition to do more but that at present there was a need to concentrate on addressing the projects themselves. He also explained that as there was greater clarity on timing of projects, opportunities for learning and fundraising could now be developed. Malcolm Reading noted that projects fell into programmes and agreed to discuss ideas on programme reporting with the Conservation and Learning Director and the Chief Executive.

Transform the way that visitors explore their story.

The Board noted the proposals. Bridget Cherry asked about the opportunities for learning about the Gardens. The Palaces Group Director outlined current opportunities and new ones for this

coming year. The Conservation and Learning Director explained that the Clore Learning Centre now gave us the opportunity to run two summer schools; one on buildings and one on gardens.

John Hamer noted the ambition to broaden access to “hard to reach audiences” and suggested forming a group which could help translate the ambition into actual plans.

The Chief Executive explained that the aim for 07/08 was to develop a much clearer ambition and that the plan included a new post in this area.

Have a wider impact in the world

The Board noted the ten year ambition and suggested changes to the way in which this was expressed. Angela Heylin asked about the intention that gradually Historic Royal Palaces should have a higher profile in terms of talking to the media in the wider context of the community. The Communications and Development Director confirmed this intention but in the review of plans it had been decided that we could not afford to do it now.

(At this point, The Chairman noted that Lord Inge would need to leave shortly and that before he did so, Michael Day would like to thank both Lord Inge and Angela Heylin on behalf of the Executive Team. Michael Day described the huge contribution that both had made as founding Trustees and how much this had been appreciated. Lord Inge noted that he had enjoyed the experience and that there has been significant positive change in the organisation. Angela Heylin reiterated this and noted the importance for the team to continue to challenge itself).

Build one organisation united behind our Cause

The Director of Human Resources highlighted the key areas of the plan. The Chief Executive explained that IS projects also represented a significant investment and explained some of the projects in further detail.

Generate the money to make it all happen

The Finance Director explained the key aspects and distributed further analysis of the Annual Operating Plan in the form agreed at the last Trustees’ meeting. The Chairman proposed that there were important questions that Trustees would need to consider over time. The Board agreed that the analysis added significantly to their understanding and would be useful in considering such issues in the future. Sir Hugh Roberts noted the dependence on income from the Tower of London. The Chairman considered that a fundamental long term issue would be how to get more visitors to come to Hampton Court Palace. The Chief Executive felt that the plans for celebrating Henry VIII at Hampton Court would have an impact. The Communications and Development Director also explained some marketing initiatives in the plan. Sir Alan Reid noted the performance trends in retail over the 10 year period. The Retail Director gave her views and Chief Executive noted that a study was taking place.

The Board endorsed the overall plan and formally approved the Annual Operating Plan for 2007/08.

2.2 The Kensington Palace Development Project

The Board noted the contents of the Conservation and Learning Director's report. He noted that all Trustees at the meeting had also attend pre-meeting briefings. Comments made to him at these meetings in particular stressed the importance of explaining the architecture and setting the stories in the context of national events. These suggestions would inform the development of the project.

The Board approved the project proposal and authorised the submission of a stage one application to Heritage Lottery Fund.

2.3 Proposed Acquisition Fund

The Board noted the contents of the report and that the Directors had also expressed a range of opinions on this matter. After discussion, the Board agreed that the current practice should continue.

3. Monitoring Performance

3.1 The Chief Executive's Report

The Chief Executive noted that

- There had been two Royal visits to the Palaces and thanked the teams at Hampton Court Palace and the Tower of London for making the arrangements.
- The Minister of State had responded to the Chairman's letter on protecting the setting of the Tower of London.
- Further meetings had taken place with Trustees about plans for 2007 at Kensington Palace.
- He would report further on insurance at the next meeting.
- The report on the Clore Learning Centre had been deferred to the next meeting as final costs were not yet available.

3.2 Financial Performance

The Board noted the contents of the Finance Director's report and approved the year end designations for Kensington Palace and the project carry-overs.

4. Projects and Expenditure

4.1 The Chapel Royal Project

The Board noted the contents of the report. The Conservation and Learning Director advised that since the report had been written, the tenders were back and the costs had changed. However the

increases could be absorbed within the overall budget for building conservation work. The Board authorised the investment decision for the structural repairs project with a budget of £633,000 (£565,000 plus VAT at 12%).

5. Governance and Organisation

5.1 Trustee Appointments

The Chairman briefed the Board on recent developments. He noted that finding a suitable candidate for the last of the four vacancies continued to be a challenge and that in the meantime, Angela Heylin would continue to chair the Development Council.

6. Any other business

The Trust and Company Secretary circulated proposed dates for the 2008 Board Meetings. Trustees were asked to advise her of any dates which they could not attend.

7. Next Meeting: Tuesday 15th May 2007 at Kew Palace