

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

Hampton Court Palace, Wednesday 29th November 2006

Minutes

Present: Charles Mackay (Chairman)
Bridget Cherry
John Hamer
Angela Heylin
Malcolm Reading
Alan Reid
Sir Hugh Roberts

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Danny Homan - Communications and Development
Director (Agenda item 5 onwards)
Graham Josephs - Human Resources Director
Alyson Lawton - Trust and Company Secretary
Sally O'Neill - Finance Director
Chris Martin - Head of Development (agenda item 5
only)
David Souden - Head of Access and Learning (Agenda
item 7 only)
Susie Batchelor - Head of Education (agenda item 7
only)

Apologies: Lord Inge (Deputy Chairman)
Sir Roger Wheeler

1. Opening Business

1.1 Chairman's matters

The Chairman reported apologies from both Lord Inge and Sir Roger Wheeler but noted that he had their comments on the papers.

1.2 Minutes of the last meeting

The minutes of the last meeting held on 27th September 2006 were approved with some minor amendments to pts 3.1 and 5.3.

1.3 Matters Arising

The Chairman reported on:

- strategic development opportunities.
- progress following the UNESCO review mission to the Tower
- matters relating to the contingency provision
- the re-presentation of financial information - to be discussed in January

- the Military Guard and asked the Chief Executive to develop a report.

2. Strategic Development

2.1 The Long Term Vision and Strategic Plan 2007-10

The Board noted the Chief Executive's report. The Chairman observed that at this second stage, it was still work in progress and conceptual. Trustees were asked for their views on the top level summary, the detail of which had already involved consultation with 80 managers.

In response to a question on what a visitor might see as the difference at the end of the plan, The Conservation & Learning Director explained there was a strategic action to define and make changes to the whole visitor experience at each palace, responding to the views of current visitors and also those who don't currently come. Within interpretation projects, we are also conducting research with focus groups.

The Conservation & Learning Director confirmed that there would be "top ten" conservation projects for each of buildings, gardens and interiors and that this would help to focus our work and provide targets for achievement and fundraising. Projects would be the priorities established by the State of the Estate and Interiors surveys and the Gardens Conservation Management Plan. The aim will be to compile a list that links with other developments and is a good mix for fundraising purposes. A draft was being developed for January.

After some observations on the financial aspects of the document, the Chairman felt that it was difficult to conclude on these aspects at this stage but that the re-presentation of the finances would also help in January.

Trustees debated whether the way that the overall principles had been articulated were appropriate to the level of ambition in the plan. The inclusion of a development programme for each palace looking ahead to 2017 was particularly well received. The Chief Executive noted the detailed comments for the next stage of the process.

2.2 The Development Policy

The Board noted the contents of the report. Angela Heylin, as Chair of the Development Council reflected on her experience of the past few years noting that

- there was a huge amount of goodwill which could be so easy to lose
- It was critical that everyone buys into the policy to get maximum value

- Achieving sustainable funds is difficult and takes a long time
- We should not recruit new volunteers for high level fundraising and then find they do not meet their targets because these are not realistic.
- This was a good paper and although initially concerned about a “one campaign” approach, now felt the time was right.

Views were then expressed by other Trustees on the detail of the plan. The Board agreed the development policy and the integrated approach of one campaign. The Chairman summarised the areas requiring further work:

- Agreeing the size of the campaign noting it was evident that we needed to raise the level of ambition.
- Reducing the complexity of the levels in the plan.
- Managing the relationships with Major Donors.
- Including our approach to major grant bodies such as the HLF as part of this policy.
- Ensuring that the whole organisation embraced the Development activity.

He noted that the Campaign Board would be chaired by one of the Trustees currently being recruited and the Development Council would be merged with the Campaign Board.

2.3 The Human Resources Strategy

The Board noted the contents of the report. Seeing the encouraging learning and development statistics, Trustees asked about whether there was a relationship between investment and retention. The Human Resources Director confirmed that there was and drew attention to actions in the list of future strategic priorities, noting that a more structured approach was required, and asked the Board for their experiences.

The Board noted the valuable contribution made by Volunteers and asked the Director about the future level of ambition.

The Board asked whether the performance management system was sufficiently robust given the ambitions in the Strategic Plan. The Director felt that it was right process for this organisation but that it now needed a tougher edge.

In terms of the strategic priorities, Trustees felt that it was important not to focus on being “a great place to work” at the expense of the wider business requirement. The HR Director also explained the steps being taken to make the organisation more diverse and asked Trustees for their own experiences with this process. The HR Director confirmed that succession planning issues would be considered as part of the “top talent” work. The Board thanked the HR Director for his paper and asked him to report the results in due course of the staff survey and further information on volunteers.

2.4 The Education Service at the Tower of London

The Board noted the contents of the report as a continuation of discussions at the last meeting but focussing on the financial impact. Noting the original assumption that the income should cover the costs, Angela Heylin expressed a concern that this was not the case in one of the scenarios outlined. The Education team felt that they had been cautious in their estimates and combined with an ambition to increase the number of educational visits, they felt that there were opportunities to ensure that the figures could be balanced. The team confirmed that all schools are charged the same price although there was a programme of events specifically tailored for local schools, which the Chief Executive explained was part of our ambition to reach out to broader audiences. John Hamer felt that the Tower presented the best opportunity for a more diverse audience particularly in the context of the 2012 Olympics. Trustees observed that the transfer of this service would represent a significant change in the relationship with the Royal Armouries and considered that it was important that the new Historic Royal Palaces service was established cleanly and was well marketed. The Board asked the team to be robust in the continuing discussions over the final details of the arrangements. It was noted that any major upgrade of the facilities was not in the figures, nor was the provision of lunchrooms which was being looked at separately by Tower Management. The Board approved the takeover of the education provision at the Tower of London, on the basis shown in the report, with full effect from 1st September 2007 and a transitional period from 1st April 2007. The Memorandum of Understanding with the RA would be amended to reflect the change.

3. Monitoring Performance

3.1 The Chief Executive's written review

The Board noted the contents of the Chief Executive's report. The Chief Executive briefed on the following highlights:

- The receipt of a grant of £250,000 from the Garfield Weston Foundation for the Clore Learning Centre and a grant to purchase the Fitzwilliam Mantua from the Art fund.
- The progress following the UNESCO visit.
- The Chairman reported that Sir Roger Wheeler had been pleased to see the final cost reported for the Tower Environs Scheme was now within budget.

3.2 Financial Performance to 31st October 2006

The Board noted the contents of the Finance Director's report and agreed that the results represented a considerable recovery from last year. The Board asked about the review of the first season at Kew Palace. The results would be reported to the Board in March.

4 Projects and Expenditure

4.1 The Clore Learning Centre

The Board noted the contents of the Conservation & Learning Director's report. In view of the recent reported increased overspend, the Chairman felt that it would be unproductive for the Board to take the time at this meeting to review the figures. The Conservation & Learning Director proposed a review process before reporting back to main board. The Board agreed this approach. Sir Hugh Roberts felt, following a tour of the new facilities, that the new building was superb and congratulated the project team. All Trustees endorsed this view.

4.2 The Beauchamp Tower

The Board noted the contents of the report and authorised the investment decision for this project within a budget of £637,250 (£570,000 + irrecoverable VAT (12%)). Malcolm Reading noted that the timetable was tight especially towards the end and asked for clarification on the size of the contingency, which was confirmed as that in the paper. He also thought that there might be opportunities for greater efficiency in future projects of this type by adopting a different approach and agreed to explore options with the Conservation & Learning Director

4.3 Kensington Palace

The Board noted the contents of the paper and the Board gave their views. It was agreed that the ideas would be explored further and that the Chief Executive would report back to the Board.

5. Governance and Organisation

5.1 The Audit Committee

The Board received the minutes of the Audit Committee. In response to a question about point 7.2, The Human Resources Director felt that there was a healthy stretch within the organisation but that it required monitoring.

5.2 The Nominations Committee

The Board received the minutes of the Nominations Committee meetings. The Chairman reported progress since the last meeting. For the DCMS positions, applications needed to be made by 4th January and interviews were scheduled for 7th February.

5.3 Chairman's review of progress

The Chairman assessed the progress made during his first six months. The Board agreed with his synopsis. He also identified the challenges ahead.

6 Next Meeting : Wednesday 31st January 2007 at the Tower of London

