

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

**Kensington Palace, Monday 22nd June 2009
Minutes**

Present: Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman)
Sophie Andreae
Dawn Austwick
John Hamer
Sir Adrian Montague (from agenda item 3)
Malcolm Reading
Sir Hugh Roberts
Sir Roger Wheeler

In attendance: Ian Barlow - Chairman of the Campaign Board (from agenda item 3)
Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Danny Homan - Communications and Development Director
Tania Fitzgerald - Finance Director

Alyson Lawton - Trust and Company Secretary
Mark Beaumont - Health, Safety & Environmental Advisor (for item 1 to 3)
Jane McKeown - Head of Financial Accounting (formerly Interim Finance Director)
Julian Whitehead - Security Advisor (for item 1 to 3)
Nigel Walley - Management Accountant (formerly Interim Head of Financial Accounting)

Apologies Sue Farr
Sir Trevor McDonald

1. Chairman's comments

1.1 The Chairman noted that formal apologies had been received from Sue Farr and from Sir Trevor McDonald. He also noted that the National Audit Office had sent their apologies and would not be attending. The Chairman welcomed Tania Fitzgerald on her first day as Finance Director. The main purpose of this meeting was to sign off the Annual Review and Financial Statements.

2. The Annual Security Report

2.1 The Board noted the contents of the annual report. Julian Whitehead, Security Advisor identified the key points. The Board discussed the report and asked about security clearance of contractors, information system security and security of art works. The Board thanked the Security Advisor, approved the report and asked for it to be forwarded to the Department for Culture, Media and Sport.

3 The Annual Health, Safety and Environment Report

3.1 The Board noted the contents of the annual report, Mark Beaumont, Fire, Health and Safety Advisor, summarised the key matters. Trustees asked about planned evacuation exercises at the Tower of London; and the trend in accident rates. The Fire, Health and Safety Advisor did not feel that the current trend was especially significant. Our Palaces were large historic sites involving both outdoor and indoor areas so some minor accidents were inevitable. Notwithstanding this, the Chairman asked whether there was anything more that might be done to protect visitors from such accidents. The Advisor noted that the challenge was to do this without a major impact to the visitor experience. The Board thanked the Advisor,

approved the report and asked for it to be forwarded to the Department for Culture, Media and Sport.

The Advisor also briefed the Board on the recent accident during the dismantling of the stage of the Hampton Court Music Festival and the approach to the subsequent investigation. Trustees asked to be kept informed.

4. **The Audit Committee held on 10th June 2008**

4.1 The Board noted the contents of the minutes. The Chairman of the Audit Committee explained the main matters arising from the meeting.

- The Committee had asked for further clarification regarding liability for restoration in the event of damage to the buildings from (for example) a major fire. The Chief Executive undertook to expand on this for the next Trustees' Meeting in July.
- The Fire, Health and Safety Advisor had attended the meeting and gave the committee further explanation of the risk register analysis and the actions being taken.
- The year end financial reporting process had gone well and he thanked Jane McKeown and her team for their work. During the audit, the accounting treatment for the recognition of the Van Dyck painting, which was allocated to Historic Royal Palaces under the *Acceptance in Lieu Scheme*, had been adjusted on the advice of the auditors.

5. **The Report from the National Audit Office**

5.1 The Board noted the content of the report. The Head of Financial Accounting confirmed that all points had been cleared as far as possible and that there were no significant matters outstanding.

6. **The Trustees' and Directors' Register of Interests**

6.1 The Board noted the contents of the report and agreed to update the Trust and Company Secretary with any further changes.

7. **The Risk Register**

7.1 The Board noted the contents of the report. Since the report had been written, the Executive Board had discussed the top level summary of principal risks and had revised their assessment. The key amendments were discussed, including moving one risk from amber to green. Whilst the year had started strongly in terms of visitors, uncertainty remained surrounding the impact of recession and the assessment would be reviewed again in the autumn. The Board asked how swine flu and succession planning were being dealt with within the register. These were included within the current risk categories and within our plans. In response to a question from Sir Adrian Montague, the Chief Executive agreed that, while the risk of commercial counterparty failure was dealt with in Historic Royal Palaces' contract-letting process, it was not adequately covered within the Risk Register and he undertook to review this.

8. **The Financial Statements**

8.1 The Board noted the contents of the report, which had been sent by email after the papers had been prepared. The Head of Financial Accounting explained the reserve movements. The Board commented on and then approved the Financial Statements and thanked Jane McKeown, Nigel Walley and the rest of the Finance team for their work in preparing them.

9. **The Annual Review**

9.1 The Board noted the contents of the Review, agreed that it represented a

successful year of activity across all areas and approved it with thanks to those involved. The Board also thanked Sue Farr in her absence for working with the team and providing a Trustee's perspective.

10. Acquisition of Georgian Silver

10.1 The Board noted the contents of the report. The Deputy Chief Curator whilst seeking the views and consent of the Chairman and the Director of the Royal Collection, had not sought the views of the full Board of Trustees in sufficient time before the deadline. Due to the deadline, the Chairman had approved the purchase subject to Trustees' endorsement at this meeting. He asked for the Board's views. The Board approved the purchase and reiterated the need for the controls in the Acquisition Policy to be adhered to. In this case, the Board felt that there would have been time for them to respond with a little more planning and asked the Chief Executive to convey this to the Deputy Chief Curator.

11. Any Other Business

11.1 The Chief Executive reported on the weekend of celebration to commemorate the 500th anniversary of the coronation of Henry VIII including the river pageant from the Tower of London to Hampton Court Palace. The Board asked him to thank all those involved in this event.

11.2 The Chairman also thanked Jane McKeown for her excellent work as Interim Finance Director over the past four months.

12. **Next meeting** : Wednesday 22nd July 2009 at Hampton Court Palace