

MEETING OF THE BOARD OF TRUSTEES

Kensington Palace, Monday 22nd June 2010

Minutes

Present: Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman)
Sir Richard Dannatt (from agenda item 4)
Sue Farr
John Hamer
Jonathan Marsden
Sir Adrian Montague

Apologies: Sophie Andreae
Dawn Austwick
Sir Trevor McDonald
Malcolm Reading

In Attendance: Ian Barlow – Chairman of the Campaign Board
Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Danny Homan - Communications and Development Director
Tania Fitzgerald - Finance Director
Rod Giddins - Palaces Group Director
Alyson Lawton - Trust and Company Secretary
Mark Beaumont - Health, Safety & Environmental Advisor (for item 1 to 3)
Jane McKeown - Head of Financial Accounting
Julian Whitehead - Security Advisor (for item 1 to 3)
Wendy Hall - National Audit Office



Historic Royal Palaces is the independent charity that looks after the Tower of London, Hampton Court Palace, the Banqueting House, Kensington Palace and Kew Palace. We help everyone explore the story of how monarchs and people have shaped society, in some of the greatest palaces ever built.

We receive no funding from the Government or the Crown, so we depend on the support of our visitors, members, donors, volunteers and sponsors.

1. Chairman's comments

1.1 The Chairman noted the formal apologies received. 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 Security Report. Julian Whitehead, Security Advisor identified the key points. The Board discussed the report in particular; improvements to security at the Tower; the security arrangements at Kensington; security training and security threats. The Board noted that there had been an increase in incidents of anti-social behaviour and asked for statistics to be included in next year's report. The Board thanked the Security Advisor, approved the report, and subject to one minor amendment 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 Health, Safety and Environmental report. Mark Beaumont, Fire, Health and Safety Advisor, summarised the key matters and the progress made during the year. Trustees asked about planned evacuation exercises at the Tower of

London; and the trend in accident rates. The Fire, Health and Safety Advisor explained the underlying causes of staff accidents which had been mainly due to human error. The Chairman accepted the reasons given from the increasing trend but felt that if this was to continue for another year, the analysis should go deeper. Visitor accident rates per thousand had been compared with similar organisations and were broadly in line. Our approach was to record all accidents no matter how minor as the investigation of minor incidents might prevent more serious incidents from taking place. The Palaces were large historic sites involving both outdoor and indoor areas, some minor accidents were inevitable. The Advisor noted that the challenge was to protect visitors 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.

4. The Audit Committee held on 10th June 2008

- 4.1 The Chairman of the Audit Committee, Sir Alan Reid gave a verbal report of the meeting. The main purpose of the meeting had been to go through the year-end accounts. There had been no matters arising. The Committee has also discussed other issues and he reported on the key items. The minutes from this meeting will be included in the July Board papers.

On behalf of the Board, the Chairman thanked Sir Alan warmly for his significant contribution to the deliberations of the Audit Committee since his appointment as its Chairman in 2002. Dawn Austwick was appointed the new Chairman from 22nd June at the last Trustees meeting.

5. The Report from the National Audit Office

- 5.1 The Board noted the content of the report. Wendy Hall confirmed that the audit had gone well, all the outstanding points had been completed and recommendations to management had been on minor matters.

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 two risks (A1.1 and B1.) from green to amber for reasons explained in the report. The Chief Executive also noted that the impact of the volcanic ash cloud was an example of why the risk of an unpredictable event shifting visitor/trading activity significantly remained red. He also reported that with the documentation system now in place, both the fire, safety and the health safety and environment risks had moved back to green. Trustees accepted that this would be the case for the current risk definition but felt that the definition should be more demanding. The Chief Executive proposed that he consider this with the rest of the Executive team. The Board noted the current risk register.

8. The Financial Statements for the year ended 31st March 2010

8.1 The Board noted the contents of the report. The Head of Financial Accounting, Jane McKeown explained the reserve movements and the pension deficit as valued for accounts purposes. The deficit is being funded over a number of years. The Trustees Annual Report in the Financial Statements listed the year's achievements ordered under the five Strategic Aims. The Board felt that this approach was clear and recommended that this approach should be considered for the Annual Review next year as well. The Board discussed and then approved the Financial Statements subject to some minor changes in wording and thanked Jane McKeown and the rest of the Finance team for their work in preparing them.

9. The Annual Review 2009/10

9.1 The Board noted the contents of the Review and agreed that it represented a successful year of activity across all areas. The Board felt that the front cover could be improved and asked the Director of Communications and Development to find an alternative image. Trustees suggested some other minor amendments to the text. Subject to these changes, the Board approved the Report with thanks to those involved.

10. Staff Remuneration

10.1 The Board noted and gave their views on the contents of the report, which had the approval of the Remuneration Committee. The Board approved the recommendation.

11. Any Other Business

11.1 The Chief Executive gave the Board a verbal update on matters relating to the Tower of London.

12. Next meeting: Wednesday, 21st July 2010 at Hampton Court Palace