

**HISTORIC ROYAL PALACES
MEETING OF THE BOARD OF TRUSTEES
Royal United Services Institute, Wednesday 20th May 2009
Minutes**

- Present:** Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman)
Sophie Andreae
Dawn Austwick
Sue Farr
Sir Trevor McDonald
Sir Adrian Montague
Malcolm Reading
Sir Hugh Roberts
Sir Roger Wheeler
- In attendance:** Michael Day - Chief Executive
John Barnes - Conservation & Learning Director
Rod Giddins - Palaces Director
Danny Homan - Communications and Development Director
Jane McKeown- Interim Finance Director
Alyson Lawton - Trust and Company Secretary
- Apologies:** John Hamer

Ian Barlow, Chairman of the Campaign Board

1. Chairman's comments

- 1.1 The Chairman noted apologies received from those not able to attend the meeting and was pleased to welcome back Dawn Austwick after a period of absence due to illness. He drew attention to two of the Trustee-led events which had taken place since the last meeting. A successful Development Dinner of the "Kings Presence Chamber" at Kensington Palace and a Trustees' informal meeting at Kew Palace, which also involved the Executive Board. There had been a number of Trustee absences at the latter, particularly for the site visit, and he again urged Trustees to make every effort to attend them. For those absent, he summarised the main matters that had emerged from Trustees' discussions. The Chief Executive welcomed this input and noted that these matters would be considered during the planning for the Strategic Plan 2010-2014 commencing in the summer.

2. Minutes of the previous meetings

- 2.1 The minutes of the meeting held on Wednesday 18th March 2008 were approved.

3. Matters Arising

- 3.1 There were no matters arising.

4. Strategic Development

4.1 The Corporate Communications Strategy

- 4.1.1 The Board noted the contents of the Communications and Development Director's paper. The Head of Press and PR, Vikki Wood together with the two PR Managers, Natasha Woollard and Ruth Howlett, gave a presentation on past achievements and the key elements of the future strategy, which aims to build on practices that were already working to achieve wider public acclaim. Trustees thanked the team for their interesting presentation and a thoughtful paper and gave their views.

Building reputation takes a long time, especially as many people, although they

know about the individual palaces, know little about Historic Royal Palaces, the organisation that manages them. Whilst we have concentrated in the past on visitors, the plan expands the work into the corporate area. The challenge was to know where to start. It was suggested that focus should be on two or three target audiences such as Corporates or fundraising bodies. Good media coverage had been generated for exhibitions and discoveries at the Palaces but in a number of cases, articles had been silent that Historic Royal Palaces was behind them. Whilst it was not easy, we needed to get the message about who we are and why it matters into these pieces. Trustees asked about how various stakeholders were being engaged and gave some suggestions. The Communications and Development Director explained how Historic Royal Palaces might raise its profile in six key areas relating to Conservation, Curators, Learning and Outreach and the broader Culture and Tourism areas. Trustees also asked about Historic Royal Palaces' participation within the wider Heritage Sector. The Conservation and Learning Director gave some examples. Trustees discussed whether there needed to be one or two priorities within the six areas. It was concluded that these were interlinked and therefore all needed some level of activity to achieve the desired result.

The Board agreed the proposed approach and the level of ambition, and confirmed that all the priorities and issues had been considered. The Chairman summarised Trustees' discussions, noting that with so many strands of work, it was important to retain focus and suggested for the present, that the primary target should be the fundraising audience.

4.2 Annual Review of Strategic Aim 2: Transform the way that Visitors explore their story.

4.2.1 As in previous years, the review was taking a detailed look at some aspects of the overall aim.

4.2.2 The Royal Kitchens at Kew

4.2.2.1 The Board noted the contents of the report by the Surveyor of the Fabric which was an update on progress and the emerging vision for the project. Dawn Austwick asked whether it would be possible to achieve this at no additional net operational cost. The Chief Executive explained that this was the ambition, noting that as agreed previously by Trustees, the case for the Royal Kitchens was about contributing to fulfilling our charitable purpose rather than a commercial business case.

Trustees continued to remain concerned at the current number of visitors to Kew and felt that action needed to be taken to grow visitor numbers. Trustees asked about and discussed the relationship with the Royal Botanical Gardens at Kew (RBGK).. The Chief Executive explained that a joint workshop with them was being held shortly to discuss operational matters.

4.2.3 Families Strategy

4.2.3.1 The Board noted the contents of the progress report and agreed it had been helpful to read some of the comments from families who had visited the palaces recently.

4.2.4 Supporting Front Line Staff

4.2.4.1 The Board noted the contents of the report by the Palaces Group Director on the work done to support and train front line teams and the outcomes from this. He explained the plans being made for Kensington. The Chairman felt that visitor feedback was crucial when assessing the impact of this work.

5. Monitoring Performance

5.1 Chief Executive's Written Reviews for April 2009 and May 2009

5.1.1 The Board noted the contents of the Chief Executive's Reviews for April 2009 and

Mary 2009 and thanked all staff for their work on *Henry; Heads and Hearts* at Hampton Court and *Dressed to Kill* at the Tower of London.

The Chief Executive explained the progress on the Kensington Palace project, the discussions on Swine flu planning; and noted that the draft Annual Review would be circulated for comment at the end of this week.

The Chairman of the Remuneration Committee summarised the discussions of the Committee which had taken place that morning relating to the update in the Chief Executive's Report. A range of opinions were given by the Board. The Chairman of the Remuneration Committee reported that the Committee had concluded that it should endorse the recommendation of the Executive Committee.

The Board noted the update on staff key performance indicators which fulfilled a request made at their November meeting. The Chairman and Chief Executive also briefed Trustees on recent meetings with the Heritage Lottery Fund and with the Royal Parks.

5.2 Financial Performance

5.2.1 Financial Performance for 08/09 (subject to audit)

5.2.1.1 The Board noted the contents of the Interim Finance Director's report. She explained that improvements against forecast were chiefly due to good visitor numbers in the last few months, improvements in other income and some underspends, notably lower utility costs. The Board approved the proposed year end designations, including carry forwards for projects; planned maintenance and operational timing differences.

5.2.2 Performance – first 5 weeks of 09/10

5.2.2.1 The Board noted the contents of the report which gave a high level summary of performance in visitor numbers and visitor related income areas for the initial weeks of 09/10. Visitor numbers to week 5 were 25% above budget. This good performance was helping to offset other non visitor-related income streams that were not faring so well in the current economic climate.

5.2.3 The Reserves Policy

5.2.3.1 The Board noted the contents of the report and agreed the proposed free reserves levels for the charity, given a realistic assessment of risks associated with the key income and expenditure streams.

6. Projects and Expenditure

6.1 The Print Management Contract

6.1.1 The Board noted the contents of the report and approved the recommendation.

6.2 The Hire of the Orangery at Kensington Palace during the London 2012 Olympics.

6.2.1 The Board noted the contents of the report and approved the recommendation.

7. Governance and Organisation

7.1 The Remuneration Committee

7.1.1 The Chairman of the Remuneration Committee gave a verbal update to Trustees on other matters discussed at the Remuneration Committee

7.2 The Audit Committee

7.2.1 The Board received a copy of the minutes from the meeting on 25th March. The Chairman of the Audit Committee noted that there were no significant matters to report.

7.3 The Investment Committee

- 7.3.1** The Chairman of the Investment Committee outlined the key matters in the report. Notwithstanding that there would be a slightly higher degree of risk than the present strategy, the committee felt it prudent to propose the change in approach to the Board. Subject to the further work outlined in the report, the Board agreed the recommendation from the Investment Committee to transfer surplus funds to the COIF Charity Deposit Fund which it believed represented a reasonable return for low risk. Longer term options would be investigated for the July meeting. This recommendation complies with the Investment Policy.

After discussion, it was agreed that the mandate for the Investment Committee to change policy would remain in place indefinitely. However this was now qualified, in that any change which maintained or increased the present prudent approach could be taken by the Committee, but that any relaxation that increased risk would need the agreement of the full Board.

7.4 AGM of HRPE Ltd

- 7.4.1** The Board noted the contents of the report and nominated Michael Day to represent their interests at the AGM of HRPE Ltd on 16th June 2009.

7.5 The Register of Interests

- 7.5.1** The Board noted the changes to the contents of the register reported since the last meeting.

8. Any other Business

- 8.1** The Board discussed how Historic Royal Palaces might contribute to plans to mark the Diamond Jubilee in 2012. .

- 9** **Date of Next Meeting: Wednesday June 22nd 2009 at Kensington Palace.**