

## MEETING OF THE BOARD OF TRUSTEES

Kensington Palace, Wednesday 22<sup>nd</sup> September 2010

### Minutes

- Present:** Charles Mackay (Chairman)  
Sophie Andreae  
Dawn Austwick  
Sue Farr  
John Hamer  
Jonathan Marsden  
Sir Adrian Montague  
Malcolm Reading
- Apologies:** Sir Alan Reid (Deputy Chairman)  
Sir Richard Dannatt  
Sir Trevor McDonald  
Ian Barlow - Chairman of the Campaign Board

- In Attendance:** Michael Day - Chief Executive  
John Barnes - Conservation and Learning Director  
Tania Fitzgerald - Finance Director  
Rod Giddins - Palaces Group Director  
Danny Homan - Communications and Development Director  
Alyson Lawton - Trust and Company Secretary

For items 4.2-4.4, the following members of staff joined the meeting:

Kate Frame - Head of Conservation and Collections Care  
Terry Gough - Head of Estates  
Adrian Phillips - Surveyor of the Fabric  
Rachael Smith - Business manager, Conservation Department  
Lucy Worsley - Chief Curator  
Deirdre Murphy - Curator, Kensington Palace

#### 1. Chairman's comments

- 1.1 The Chairman noted the apologies received.

#### 2. Minutes from previous meetings

- 2.1 The minutes of the meeting held on Wednesday, 21<sup>st</sup> July 2010 were approved.

#### 3. Matters arising from previous meetings

- 3.1 The Chief Executive noted decisions made since the July Board for the record:

- The Board had approved a change of decision regarding the Music Festivals and agreed that PWR be appointed to organise the Hampton Court Music Festival from 2011 for a period of three years.
- The Board had approved the nominations to the London Youth Trust/Working for Life. These were Keith Cima; Stephanie Eaton; Tania Fitzgerald and Rupa Huq.



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.

## 4. Strategic Development

### 4.1 Future Strategic Development

The Board discussed possible areas of future strategic development.

### 4.2 Review of Strategic Aim 1: *Give the Palaces the care they deserve.*

The Board noted the report from the Conservation and Learning Director. The main focus was to provide an update on progress of our work in buildings conservation, collection care and gardens; to explain the conclusions of the review of value in our building conservation work, with recommendations and to update Trustees on the review of conservation governance.

#### 4.2.1 Progress in Buildings, Collection Care and Gardens

**Buildings** The Conservation and Learning Director assessed progress of the Top Ten projects by the end of the financial year. This marked the mid point of the 10-year Top Ten projects plan. He felt progress was on track. The Board noted the revisions to the decision points within the Business case process.

The Chairman suggested that, since the mid point of the 10-year plan Top Ten Projects for Buildings, Collection Care and Gardens had been reached, management should consider rolling it forward as part of the autumn strategic planning process. The Surveyor of the Fabric explained that the next quinquennial review in 2012-3 would confirm any new priorities selected now. Dawn Austwick felt the progress had been excellent and suggested a further bullet point against each project to indicate whether the project was on time and to budget. Malcolm Reading agreed it was another excellent year and asked to understand more about the two stage process planned for Great Hall Court.

**Collection Care** Key achievements in collection care have been environmental progress; the logistical challenges of moving historic objects at Kensington to prepare for the building works and internships and training. Jonathan Marsden endorsed the good progress made, identifying the Arms and Armour project as an exemplar project, working in collaboration with the Royal Collection and also providing educational benefits.

**Gardens** The Conservation and Learning Director felt that the greatest progress had been made against the top ten gardens projects. The Board congratulated the team on the variety of projects delivered or in progress.

#### 4.2.2 Value in our building conservation work

The Board noted the conclusions in the report (section 3.9).

**Contracted works** The Surveyor of the Fabric explained that through applying Partnering Contracts to some work, we had gained management input and developed more efficient ways of working thereby making savings. However he felt preliminaries were too high and it was intended to drive these down. Benchmarking against all sectors not just heritage, we were performing well but nevertheless there was still room for improvement. The Board agreed that the team should continue to drive down the costs whilst looking for measures to improve the efficiency of working. The Board talked about the lessons learnt from the Royal Tennis Court Roof Project. These lessons were being applied to the Georgian Kitchens. The team had discussed whether to bring contracts management in house and concluded that there was not a compelling case for this as yet.

*Fees* The Board noted that the team were looking at ways of using consultants more cost effectively. Malcolm Reading asked how the savings resulting from bringing quantity surveying services in house would be tracked. This is still to be resolved. The Board noted the recommendation for two new posts which were not in the AOP for 2010/11 but would be recruited mid year.

*Other direct costs* The Board discussed the proposal that in future Marketing or Interpretation Departments rather than the Conservation Department would decide on any interpretation requirement and messages for project hoardings, and would budget for them. The Board felt this was a good approach provided budgets were identified for this purpose.

#### **4.2.3 Governance of Conservation**

The Board noted progress on this work and that findings would be reported back to Trustees in the New Year.

The Board agreed that they were satisfied with the updates and the future focus. The Board agreed with the conclusions and recommendations in the value in building conservation section of the report. The Chairman on behalf of the Board thanked the senior members of the Conservation Team at the meeting and asked them to convey their congratulations to the rest of the team.

#### **4.3 Curators' Review**

The Chief Curator gave a presentation illustrating the work that Curators have been undertaking during the last year. Deirdre Murphy also showed the Board a selection of newly acquired items for the collection. The Board were appreciative of the work of the curators and were pleased that through this annual presentation they had more insight into their work.

#### **4.4 Independent Research Organisation Status**

The Board noted the contents of the Chief Curator's Report and approved the Plan to apply for Independent Research Organisation status. It should be possible to achieve all the objectives for an application within the next two years.

### **5. Projects and Expenditure**

#### **5.1 Visitor Engagement System Project Phase 1**

The Board noted the contents of the Palaces Director's report. The phase 1 Visitor Engagement System would replace the current ticketing system and would provide a platform for the phase 2 project which would be to establish an integrated customer relationship and access management system. The Board asked about the preferred supplier Omni Tickets. Omni Tickets were a well established American company and their current customer base of UK customers included the Royal Botanic Gardens at Kew. The Chief Executive noted that the team had been thorough and diligent in the project process. The Board approved the investment of £671k in phase 1 of the Visitor Engagement System, appointed Omni Tickets

#### **5.2 Cleaning Contract**

The Board noted the contents of the Palaces Director's Report. He explained that the objective had been to achieve a fixed price contract from a supplier who could deliver the right quality both for front of house and for conservation purposes and be within our budget. The preferred supplier was Mitie Cleaning

Services, who were also our current contractor. The Chairman asked about the 21% increase in costs since the last tender was let on 1 January 2006. The Palaces Director explained a number of reasons for the increase. The Board

- Agreed to appoint Mitie Cleaning Services for a period of 3 years until 31 December 2013
- Accepted their tender but asked the Director to work with them on cost reductions to mitigate the increases that will arise from the warehouse and changes at Kensington Palace
- Agreed that rates of pay and numbers of operatives should not to be varied without our approval
- Gave authority to extend the contract in 2013 by an extra two years on the same terms, subject to satisfactory performance by the contractor.

## **6. Monitoring Performance**

### **6.1 Chief Executive's Reports for August and September 2010**

The Board noted the contents of the reports for August and September. The Chief Executive also briefed Trustees on the ongoing difficulties relating to agreement of the formal transfer of the kitchens at Kew from the Royal Botanic Gardens. He was planning to speak to the Director, Professor Steven Hopper about this matter. He noted that it was not impeding the progress on the project itself as yet but that we were spending on the building, which currently remained the responsibility of the Royal Botanic Gardens.

The Chairman asked about the latest position on the planning appeal for the loggia. An appeal had been submitted for the first scheme and further discussions were taking place on aspects of the second scheme.

### **6.2 Financial Performance to the end of August**

The Board noted the contents of the Finance Director's report. Net operating surplus was above budget, due for the most part to expenditure related reasons. Visitor Income was strong and had recovered following the impact of the ash cloud. Visitor numbers at the Tower of London were the highest August volumes for 23 years. There had been some dilution in yield. Retail had also recovered and Functions & Events forward bookings, with the exception of the Banqueting House, were good. A revised gift aid trial was taking place to address the current shortfall.

The half year forecasting process was underway, the results of which would be presented to the Board for approval at their November meeting. Following consultation with a number of Trustees over the next few weeks, a revised management information pack would also be presented for formal review at the November meeting.

## **7. Organisation and Governance**

### **7.1 Investment Committee**

The Board noted the minutes of the meeting of the Investment Committee held on 21<sup>st</sup> July 2010. The Chairman of the Investment Committee, Sir Adrian Montague explained that that the results of the European stress tests had not resulted in any change to the investment decision and money had been reinvested with Santander.

### **7.2 Trustees' Strategic Planning Meeting**

The Board noted the arrangements that had been put in place for their meeting on 27<sup>th</sup> September 2010 at Kensington Palace.

7.3 Royal Charter

The Board of Trustees resolved that the following amendments be made to the Royal Charter and any such changes as the Privy Council may require.

1. in article 6
  - a. paragraph (1) delete “ten” and substitute “eleven”
  - b. paragraph (4) delete “Six” and substitute “Seven”add after “for the time being”, ”; and one of those appointed by Our Secretary of State shall be by virtue of his office, the Chairman of the Historic Royal Palaces’ Campaign Board for the time being.”
2. in article 10
  - a. paragraph (1) add. “Trustees shall have equal voting rights. Where there is a quorum of twelve and there is no voting majority, the Chairman shall have the casting vote.

The resolution will be signed on behalf of the Trustees by the Chairman and Chief Executive and the seal applied.

8. **Any Other Business:** There was no other business.

9. **Next meeting:** Trustees’ next Board Meeting will be on Wednesday, 24<sup>th</sup> November 2010 at The Tower of London.