

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

**Kensington Palace, Monday 25th June 2007
Minutes**

Present: Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman)
Dawn Austwick
Bridget Cherry (from agenda item 3)
Sue Farr
Sir Roger Wheeler

Apologies: John Hamer
Sir Trevor McDonald
Sir Hugh Roberts
Malcolm Reading

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Sally O'Neill - Finance Director
Alyson Lawton - Trust and Company Secretary

1. Chairman's comments

1.1 The Chairman noted that in addition to the formal apologies already received from John Hamer and Sir Trevor McDonald, both Malcolm Reading and Sir Hugh Roberts had advised that morning, that they were unable to attend the meeting. The purpose of the meeting was to sign off the Annual Review and Accounts.

2. The Audit Committee held on 15th June

2.1 The Board noted the contents of the detailed minutes. The Chairman of the Audit Committee noted that the main purpose of the meeting had been to go through the accounts and receive the opinions of the auditors of Historic Royal Palaces Enterprises Ltd, Grant Thornton and the auditors of Historic Royal Palaces, the charity and the consolidated report and accounts, The National Audit Office. He reported that both organisations were happy with the accounts and that there were no significant material matters arising. He paid tribute to the interim manager and the finance team led by Sally O'Neill in producing the accounts and noted that there was nothing further to report.

He reported that the Committee had also reviewed the risk register and discussed the findings on two events where money had gone missing and were happy that appropriate action had taken place. The Finance Director reported that both instances had involved the same group of people and that disciplinary action where appropriate was being taken. It was agreed that the Chief Executive would review cash handling around the organisation and report back to the Audit Committee

Sir Alan also advised that Sajid Rafiq from the National Audit Office, who had been on the agenda as attending this meeting, could not be at the meeting today.

3. The Risk Register

3.1 The Board noted the contents of the report. The Chairman suggested that the contingency paper discussed at the Board meeting last July should be sent to the newly appointed Trustees for information. The Board discussed the detailed risks:

- The Board consider that events in 5.2 were not "unexpected" but rather "unpredictable".
- The Board debated the assessment of reputational risk .

- After discussion on organisational stretch, the Chairman asked the Chief Executive to deal with the consequence of ambition on resources (money and people) in the next round of strategic planning in the autumn.
- Noting that the public affairs strategy had been delayed due to resourcing. Sue Farr suggested investigating the possibilities of a secondment to develop the strategy.
- The Conservation and Learning Director explained that the slow progress on the improvements recommended in the Fire Safety Audit was due to the unfilled post of Deputy Fire Safety Advisor. He expected this post would be filled shortly and that progress would then be improved.
- The Chairman asked about our relationship with English Heritage. It was felt that the relationship was good.
- Sir Alan Reid asked about an opportunities register. The Chief Executive explained that opportunities were looked at in the strategic planning process whilst the risk register was the balance to this. The Chairman requested that feedback on opportunities that were not going to be developed in the plan should be included in Trustees' Strategic Planning discussions .

4. The Annual Health, Safety and Environmental Report.

4.1 The Board noted the contents of the report, which this year included health management and in particular discussed the trends and level of settlements which had been made. The Board asked the Chief Executive for a further review to establish whether there were any improvements that could be made to reduce them . The Board were encouraged by actions in environmental management and asked for an update on the Carbon Trust report. The Board approved the report which will now be forwarded to the Department for Culture, Media and Sport. The Board asked the Chief Executive to thank the Health and Safety Advisor for this thorough report.

5. The Annual Security Report

5.1 The Board noted the contents of the report. The Conservation and Learning Director explained he was encouraged by the advances in physical works and reported on plans in progress. He reminded Trustees that both the Health and Safety Advisor and the Security Advisor were both available to them to discuss any matters in detail. The Board approved the Annual Security Report and asked for it to be forwarded to the Department of Culture, Media and Sport. The Board asked the Chief Executive to thank the Security Advisor for this thorough report.

6. The Report from the National Audit Office

6.1 The Board noted the content of the report and that responsibility for recommendation two in Annex a was with the Finance Director .The delegations of authority to the Chief Executive would be reviewed and come back to the Board for approval.

7. The Annual Review and Accounts

7.1 The Board noted the contents of the review and the accounts. Since the papers had been distributed, the Chairman's report had been amended. The Board advised a few further corrections to the reports. The Board, noting the good use of pictures in the design of the Annual Review, formally approved it and the Financial Statements

8 **Any other business**

8.1 **Acquisition Proposal**

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

8.2 **The World Heritage Site Management Plan**

8.2.1 The Chairman reported recent developments and referred to his recent letter to David Lammy, Minister for Culture. The Board debated the current position and asked the Chief Executive and the Conservation and Learning Director to reflect on the discussions and report back at the July Trustees' Meeting. The Chief Executive thanked the Chairman, John Barnes and Rachael Smith for their work in this matter.

9. **Next meeting** : Wednesday 25th July at Hampton Court Palace