

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

**Kensington Palace, Wednesday 16<sup>th</sup> September 2009  
Minutes**

**Present:** Charles Mackay (Chairman)  
Sir Alan Reid (Deputy Chairman)  
Sophie Andreae  
Dawn Austwick (items 1 to 11)  
Sue Farr  
John Hamer  
Sir Trevor McDonald (items 1 to 12)  
Sir Adrian Montague (items 1 to 12)  
Malcolm Reading (items 1 to 12)  
Sir Hugh Roberts

**Apologies** Sir Richard Dannatt  
  
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 Director  
Danny Homan - Communication and Development Director  
Alyson Lawton - Trust and Company Secretary  
  
Kate Frame Terry Gough; Adrian Phillips; Lucy Worsley; Sebastian Edwards (for items 1 to 4)  
  
Chris Martin; Samantha Brown (for items 1 to 5)

**1. Chairman's comments**

1.1 The Chairman noted that apologies had been received from Sir Richard Dannatt, who had advised him some time ago that he would not be able to make his first meeting as Trustee.

**2. Minutes from Previous Meetings**

2.1 The minutes of the meeting held on Wednesday 22<sup>nd</sup> July 2009 were approved with two minor revisions.

**3. Matters arising from previous meetings**

3.1 There were no matters arising.

**4. Strategic Review of Aim: *Give the Palaces the care they deserve***

**4.1. General Conservation Update**

4.1.1 The Conservation and Learning Director introduced the report, noting that members of his team were on hand to answer questions. He said he was proud of the work that the team was doing in every aspect. The team drive themselves to make improvements. The key question was "how do we satisfy Trustees that we are doing the right things at the right value?" Further work was continuing on dealing with this: governance of conservation was a key issue for the whole sector and Historic Royal Palaces will be leading a seminar together with a number of national heritage organisations in the autumn to discuss best practice.

4.1.2 The Board discussed progress on the top ten conservation projects in Buildings;

Gardens and Interiors. The Conservation and Learning Director explained that good progress had been made but pointed out that although the first tranche of gardens projects is progressing well, the second tranche is at a high level of aspiration and budget, which will mean that choices will have to be made in the strategic plans beyond 2012. The Chairman congratulated Terry Gough and his team on the recreated Tudor Garden in Chapel Court recently formally opened.

The Board endorsed the view that the list of top ten projects in each of the three areas was still a very appropriate and ambitious series of undertakings and that progress on these and the wider conservation programmes was satisfactory.

- 4.1.3** At a previous Trustees' meeting, the Board had asked to review projects in the planned building maintenance programme on a six monthly basis with a view to assessing the opportunities for introducing new projects, should funds become available. The Conservation and Learning Director explained that it was not really possible to start new projects on site immediately as reserve projects were not held in this state of readiness. However, if the Executive Board were confident about funds, there were one or two deferred projects that could be pulled back into next year's programme. This debate would be part of the strategic planning discussions in the autumn. Malcolm Reading challenged this, suggesting there would be benefit in phasing projects differently especially with the good progress made in partnership working. The Surveyor of the Fabric explained that he had been developing certain programmes where several years' work could be specified in advance.

The work of the project support teams was also now paying dividends. Malcolm Reading felt that the benefits of the new ways of working were evident in the report and his contact with the conservation teams has been very positive. Progress has also been made in finding the skills required through secondments and internships. John Hamer noted the increased focus by the Heritage Lottery Fund on funding training schemes. The Chief Executive explained that these were being investigated along with other government-funded schemes

Linking conservation projects with other programmes planned for Henry VIII at the Tower and Hampton Court has been beneficial and parts of the work have become highlights of the experience such as Base Court; the tapestry re-colouration project and the Chapel Court Garden. Nevertheless, expenditure had fallen short of the plans set out in 2007, due to the economic climate in which to balance the annual budget, projects had been deferred. The Conservation and Learning Director tabled graphs to illustrate this, together with plans of the palaces highlighting areas of work achieved. If possible, the plan should be to increase budgets back to previous strategic plan levels so as to stay on track with the 10 year programmes. Trustees agreed that it was a highly important area but increasing the level of expenditure was dependant on the other choices that would need to be made during the strategic plan review.

Malcolm Reading asked about professional development for staff. The Heads of Department confirmed that staff were satisfied with the learning opportunities available and explained what this meant in practice.

The Board agreed that they were content with the connections made for our conservation work within the wider work of Historic Royal Palaces.

**4.2 "Agents of Decay" Strategy - Conservation of the palaces collection and decorative features.**

- 4.2.1** Kate Frame, Head of Conservation and Collections Care gave a presentation on the "Agents of Decay Strategy" and how we manage the environmental risks for the interiors and collections in our care, making improvements to reduce the probability and impact of risk to the collections whilst getting the right balance between conservation and commercial use.

Sir Hugh Roberts asked whether there had been any infestations. Kate Frame explained that with daily monitoring and the cleaning regime, any problems were targeted as soon as they were found and therefore infestations did not occur. However there is a growing problem with pests due to climate change. The Board asked whether there was any category of risk which was of particular concern. Kate Frame felt that with a systematic approach to managing light and dust, nothing else now stood out.

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

**4.3.1** Lucy Worsley and Sebastian Edwards gave a short presentation on the past year and their plans for next year. The Board noted the successful work that all curators had been doing with the media supporting the strategic objective to *become publicly acclaimed for what we do*. The Board agreed that the curatorial team were a very important part of many other aspects of our work and asked Lucy Worsley as Chief Curator to convey their thanks to the rest of the team.

#### **5. Membership**

**5.1** The Board noted the contents of the review. The value of membership went beyond providing a net income stream and was part of building a wider influence and promoting our charitable cause. The Head of Development noted that there had been great success with member appeals. The Chairman noted that Ian Barlow, Chairman of the Campaign Board, had been consulted and supported the paper. The Board discussed the scheme, the ambitions set out in the paper including plans to expand the sales support, membership servicing and renewals. Dawn Austwick asked how the target to grow would be achieved. Chris Martin explained the plans: whilst HRP might not have the exhibition programme of comparable institutions, events and activities are encouraging members to come back. Trustees felt that there were real benefits in talking to members early about Kensington Palace. Chris Martin explained that this has already started and that the latest edition of the members' magazine "Inside Story", contained an article by Todd Longstaffe Gown about the plans for the Gardens. A copy of this magazine would be sent to Trustees each time it was published.

The Board agreed to the recommendations in the paper, (subject to AOP funding) noting a review of gift aid would be taking place later in the year.

#### **6. Chief Executive's written reviews for August and September 2009**

**6.1** The Board noted the contents of the Chief Executive's reports for August and September 2009.

The Chief Executive updated the Board on the pay negotiations.

The Conservation and Learning Director gave his views on the recent guidance on planning and its impact on protecting the setting of the Tower of London World Heritage Site. There was still work to be done.

#### **7. Financial Performance to the end of August**

**7.1** The Board noted the contents of the Finance Director's report. Results remain very good overall with the high volumes of visitors boosting admissions, retail and catering income, although there have also been some related increases in costs in some areas. August was a good month for events at the Tower and Hampton Court, but functions and events income overall remains behind target, as does income from our investments, as a result of the low interest rates. Dawn Austwick asked about the plans for the future of the Music Festivals.

The Chief Executive would consider how any surpluses generated might be used to further our charitable objectives at the Q2 review and forthcoming Strategic Plan Process.

## **8. Environmental Matters**

- 8.1 The Board noted the contents of the report, which was an update on progress since the annual June report and which set out our approach to environmental activities. Historic Royal Palaces does not give as much public profile to this work as other activities. Malcolm Reading felt that this was an area in which we should do more to explain our approach and achievements in the Annual Review. There were areas where there might also be more targets, for example in our construction projects.

Environmental Investments were being assessed against three filters; legal requirements; reputational requirements and cost savings. The Board suggested and agreed a fourth filter for investment being impact on “agents of decay”.

The Board also agreed that in the way in which we go about our ordinary business we should constantly apply challenging environmental targets.

When asked about the Kensington Project, The Conservation and Learning Director explained that the principle of sustainability had been built in. Sue Farr suggested that this might open up further sponsorship opportunities.

## **9 Welcome to Kensington - a palace for everyone**

- 9.1 The Conservation and Learning Director gave a verbal update on the project which has now received planning permission. The Board was also delighted that the Heritage Lottery Fund had given a grant of £1 million towards the scheme. He reported that the project was on programme and that the formal investment decision would be sought at the next Trustees meeting. The Sub Group would look at the issue of the loggia. The Board thanked the team for their work in achieving these milestones and in particular Sir Trevor McDonald who led for the Trustees with support from Sir Hugh Roberts and from Malcolm Reading.

Some Trustees felt that due to media reporting there remained some perception externally that Historic Royal Palaces did not get planning permission.

## **10. The Investment Committee**

- 10.1 Sir Adrian Montague as Chairman of the Investment Committee updated the Board on the discussions at the committee held on 7<sup>th</sup> September 2009. He reminded the Board that funds had been moved from the Bank of England to CCLA, a specialist funds administrator for charities, to enhance yield. In the light of the relatively low rates of interest on call accounts, the Committee felt that it should now explore how to increase yield further. The absolute priority however was to preserve capital. He explained the principles that had been agreed by the Committee who had now asked the Finance Director to investigate some intermediaries that might be able to advise and provide monitoring for such funds. The next meeting would be in October. Trustees would be informed of any conclusions if these were reached in advance of the November meeting.

## **11. The Henry VIII legacy projects at the Tower of London and at Hampton Court Palace**

- 11.1 The Board noted the contents of the report seeking approval for the projects which would be require funding this financial year. The Conservation and Learning Director explained that these two projects were designed to provide a lasting legacy from both *Henry VIII; heads and hearts* at Hampton Court Palace and *Dressed to Kill* at the Tower of London. The new project at the Tower of London is, like *Dressed to Kill*, in partnership with the Royal Armouries and would mean a commitment in future years to further phases. The Board asked about the plans for Base Court interpretation and gave their views and asked to be kept informed. The Board also asked about the ideas for visitor arrival at Hampton Court, which were still being explored. The Board approved the proposed projects subject to item 1.2 of the report.

**12. Kew Palace and the Royal Kitchens**

- 12.1 The Board noted the contents of the Palaces Director's report, which was in response to a request from Trustees in May. The Board gave their views on the actions taken to increase visitor numbers, discussions with the Royal Botanic Gardens Kew on future admission arrangements and on progress on the Royal Kitchens project. The Board recognised that this was a fluid situation which would take some months to resolve and asked to be kept informed of developments.

**13. Liability in the event of major damage**

- 13.1 The Board noted the contents of the report, discussed the legal advice and asked for further work to be done for the October Audit Committee. The Trust and Company Secretary confirmed that the Government indemnity for Trustees set out in Managing Public Money is contained in our contract with the DCMS and in the Trustees' code of practice.

**14 Trustees Strategic Planning Meeting**

- 14.1 The Board noted the arrangements that had been put in place for their meeting on 28<sup>th</sup> September at Kensington Palace.

15. **Next meeting:** Wednesday 25<sup>th</sup> November 2009 at The Tower of London.