

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

**The Tower of London, Wednesday 26th September 2007
Minutes**

Present: Charles Mackay (Chairman)
Dawn Austwick
Bridget Cherry
John Hamer
Sir Trevor McDonald
Sir Adrian Montague
Sir Hugh Roberts

Apologies: Sir Alan Reid (Deputy Chairman); Malcolm Reading
Sue Farr ; Sir Roger Wheeler

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Keith Cima - Governor of the Tower of London
Rod Giddins- Palaces Director
Danny Homan - Communications and Development Director
Sally O'Neill - Finance Director
Alyson Lawton - Trust and Company Secretary

1. Chairman's comments

1.1 The Chairman welcomed Sir Adrian Montague to his first meeting and noted that in addition to the formal apologies already received from Sir Alan Reid; Sue Farr and Sir Roger Wheeler, Malcolm Reading had advised yesterday that he was now not able to attend today and explained the reason. However with the exception of Sue Farr who was abroad, the Chairman reported that he has spoken to them and received their views on the papers.

2. Minutes of the previous meetings

2.1 The minutes of the meeting held on 25th July were approved with an amendment in para 5.1 *Catering* adding "the New Armouries" to the final sentence to read "a few tables and chairs outside the New Armouries".

3. Matters Arising

3.1 The Conservation and Learning Director expanded on matters regarding tables and chairs outside the New Armouries and It was noted that this was not something that management wished to pursue.

The Communications and Development Director reported a meeting with Sue Farr regarding the principle of secondment to assist with the public affairs strategy.

Trustees were reassured on the Health and Safety matters raised in the last meeting by the subsequent report in the August Chief Executive's Report.

4. The Strategic Plan Process

4.1 The Board noted the contents of the paper and the arrangements for the Board's Review meeting on 1st October.

5. Give the Palaces the care they deserve.

5.1 Adrian Phillips, Surveyor of the Fabric, Kate Frame, Head of Conservation and Collections Care and Terry Gough, Head of Gardens and Estates joined the meeting and gave short presentations on buildings conservation, conservation of

the collection and interiors and the gardens. The Board noted the contents of the paper and then addressed the four questions in the paper and finally the overarching question: *Are we confident therefore that we are fulfilling our charitable objective well?*

i) Is our conservation work done well?

Trustees gave their individual views which were all positive, particularly noting the quality and range of the work and highlighting the skills of the team as a particular asset. Sir Adrian Montague asked John Barnes whether there were areas in which there was a need for greater depth of skill or where he was not satisfied. In response, he felt that this was commissioning work from others, the need to shift teams further towards the client side and developing skills in the project sponsor role. This also applied to Conservation and Collections Care as they manage a raft of skills. We have tended to reduce the training posts in favour of more senior people as the responsibilities expanded with the result that there are no longer progression steps. In summary two levels may be needed to replace the current single role: project sponsor and project support.

The Chairman noted that Malcolm Reading also felt the work could not be faulted. In response to a question on the extent to which the collections might be at risk, Kate Frame explained that from the State of the Interiors Survey, she felt that the pacing was right to prevent avoidable damage. However it was difficult to measure the rate of decay but we are able to look at specific groups of objects and this helped predict treatment cycles. Sir Trevor Macdonald asked whether we could arrest degradation. The answer was no. Sir Hugh Roberts reminded the Board that until the end of the 19th century, everything was covered up and shuttered for quite a long part of the year: contemporary access arrangements inevitably promote decay.

In summary, therefore Trustees agreed that our conservation work was being done well.

ii) Is our money spent in the most cost effective way?

The Chairman reported that Malcolm Reading had discussed this matter with The Conservation and Learning Director and The Surveyor of the Fabric and suggested exploring a longer term partnership approach with selected contractors.

Dawn Austwick noted different delivery models and asked whether these were likely to change in the future. The Conservation and Learning Director felt the balance was about right with outsourced delivery where we can most gain from the industry (ie in building conservation), and where it would not make sense to retain the skills (ie non fabric conservation). Partnerships would be a good development.

Terry Gough explained that the majority of the work in gardens was maintenance; repair and renewal and that the transformation had been achieved by flexibility in the team. Sir Hugh Roberts noted that all these projects were also guided by expert research.

Sir Adrian Montague noted that the combination of familiarity with the assets and commitment was important to achieve delivery of the projects. On building projects, specialist work was done by contractors; however in gardens and conservation, the work could not be achieved in this way. He asked how much pooling of information took place between the major heritage bodies. The Head of Quantity Surveying had good contacts with English Heritage and the National Trust which he used to check standards but it was agreed that other areas could be explored.

The Chairman reported that Malcolm Reading had felt that the tender price inflation in the paper might prove optimistic and that instead of percentages

applied for non direct cost, it might be more appropriate to consider resource based costing. The Conservation and Learning Director noted that he would be arranging a meeting with Malcolm Reading and his team specifically to talk about these ideas in relation to Kensington Palace.

In summary. The Board agreed that they were comfortable with the approach but that there were some actions at the edges to optimise this further.

iii) Is the pace right?

The Chairman felt that it would be wrong to assume that money and resource would be a problem in the medium term but an absolute must would be that the Palaces do not look like building sites.

In his and in Malcolm Reading's view, the paper was based on our present experience in these three respects. The Conservation and Learning Director explained that his approach was never to allow decay to happen through our neglect and that the rate of expenditure contained in the strategic plan was appropriate. There was a possibility of doing more work by changing the mix of front of house and back of house but this approach would not necessarily be based on conservation need. The Surveyor of the Fabric explained that some projects were being undertaken to catch up, This work goes in cycles through generations but alongside there was steady state work. This was an area in which we were trying to accelerate the rate of progress and a lot of this was back of house such as garden walls. On the assumption that all big projects were meant to last 50 to 100 years, the Board felt that over the next 20 years we would not have to spend at the same rate.

iv) Have we got our priorities right?

The Chairman reminded Trustees that last year their view was to aim to complete the major items of backlog over ten years. He therefore asked Trustees whether they felt the top ten projects in each of the three areas (buildings; conservation and gardens) remained the right priorities. Trustees agreed that they were. The Chairman reported that Sir Roger Wheeler had commented that we should not lose sight of the day to day maintenance requirements. Trustees asked for further work on understanding the work that would not be prioritised within the next 10 years. Michael Day noted that the broader question of affordability of the level of spending on conservation compared with the other priorities would be addressed in the Strategic Plan.

v) Are we doing enough to fulfil our charitable obligation?

The Chairman reported that in Malcolm Reading's view we should look in the medium term to accelerating the programme. . The Board felt that the plan met their obligations but they would like to revisit discussions on possible acceleration of the programme this time next year, although it was important to maintain the quality and that it would be a mistake to put speed before this. The Board thanked the team for their work.

6. The Chief Executive's Report

- 6.1** The Board were pleased to note that Hampton Court Palace was judged top in the recent Which? Awards as the best heritage attraction in the UK whilst the Tower of London was placed fourth. They asked the Chief Executive to pass on their congratulations to the teams. The Communications and Development Director also noted that since the report had been written, the Tower of London had also been awarded Best UK Visitor Attraction as voted by readers of Group Leisure Magazine.

The Board noted the contents of the September Chief Executive's report. He reported recent developments regarding:

- the annual pay review

- Tower of London World Heritage Site discussions. The Board agreed that a Trustee should chair the Tower of London World Heritage Site Consultative Committee which would be convened shortly. He also reported that, he and the Chairman hoped to have a meeting with the Mayor of London facilitated by Sir Trevor Macdonald
- the Kensington Palace Development project and that the Trustees Sub Group had been helping with the plans.

Sir Hugh Roberts asked whether there had been further press reporting on the effects of vibration. It was noted that the research had been helpful as this demonstrates our custodial role and the actions from it guide our future measures and practices.

7. Financial Performance to end of August and mid-year review.

- 7.1 The Board noted the contents of the report. The Chairman reported that Sir Alan Reid had discussed the proposals with the Finance Director and supported the approach. The Board approved the planned measures to counter the downside results of the mid year review. The Chief Executive noted that a recent Visit London report was showing the same picture across the sector. There was more downside than upside, and the current climate would inevitably colour our planning for next year.

8. Admissions Pricing for 2008-9

- 8.1 The Board noted the contents of the report. As a non-funded organisation, visitor admissions were our main source of income. Pricing decisions in the past had been made only by the Exec Board and this was the first time pricing had been discussed by Trustees. The Board noted the strategic influences and asked for benchmarking information. The Chief Executive proposed to include this in his next monthly report. The Board asked about the impact on visitor numbers. The Communications and Development Director explained that generally as the prices proposed were as per the original plan, we were assuming the numbers as plan. However, there were a number of factors that influence visitor numbers and as in previous years, the Future Foundation would be advising us as part of our strategic planning process, taking into account the current economic climate. It was noted that as a visitor attraction which had to raise its own revenues, marginal changes in price would not affect our ambition to broaden our audiences and we would need to look at different programmes to achieve this aim. The Board agreed the pricing proposal.

9. The Re-presentation of the White Tower at The Tower of London by 2012

- 9.1 The Board noted the contents of the report, which was a joint paper with the Royal Armouries and which would also be considered by their Board of Trustees in the near future. The project provided an opportunity for joint working to produce a coherent re-presentation of the entire White Tower. The Governor explained the estimated costs and the likely unbudgeted financial contribution required from Historic Royal Palaces. The Chairman noted that Sir Roger Wheeler, who sits on both Boards as Constable of the Tower, supported the proposal. In endorsing the notion of a joint project and making a financial contribution, Trustees would be asking the Executive Board to include this proposal in the Strategic Plan and to look at the consequences on other priorities, Trustees would consider the full business case when it had been developed. A range of views were expressed. The Chairman summarised these, noting that Trustees agreed that they should support this proposal and would be prepared to make a financial contribution on the absolute principle of a joint approach to planning, design, and interpretation, recognising that there would be challenges in joint working. The ambition should be an end result at a standard of which would all be proud.

10. The Ice Rinks

- 10.1 The Board noted the contents of the report and asked the Palaces Director to explore the options further and come back to the Board in due course with

greater clarity on the best deal for the charity.

11. The Pensions Trust Deed

11.1 The Board of Trustees approved the redrafted Deed of Trust and agreed that the Chairman and the Chief Executive would sign it on their behalf applying the seal.

12. Procedure for future Board Evaluation and Further meeting dates

12.1 The Board noted the contents of the report and agreed the proposed procedure for future board evaluation and agreed to advise the Trust and Company Secretary of their availability on the proposed dates. It was noted that in order to achieve maximum attendance, these dates may need to change.

13. The Jolly Boatman Site and the Royal Star and Garter Homes

13.1 The Board referred to the summary and correspondence with Vice Admiral Sir John Dunt included in the Chief Executives Report. The Board of Trustees concluded that they did not need Sir John to come and speak to them and approved the contents of the Chairman's letter in reply.

14. **Any other business** The Chief Executive discussed various matters with the Board in a closed session.

15. **Next Meeting : The next Board Meeting will be on Wednesday 28th November at Kensington Palace.**