



Historic Royal Palaces is the independent charity that looks after:

Tower of London
Hampton Court Palace
Banqueting House
Kensington Palace
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 raise all our own funds and depend on the support of our visitors, members, donors, sponsors and volunteers.

Minutes

Meeting name: **Board of Trustees**

Date of meeting: **Thursday 23rd January 2014**

Location: **Hampton Court Palace**

Attendees: Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman) (until item 10)
Sophie Andreae
Dawn Austwick (from item 6)
Bruce Carnegie Brown
Liz Cleaver (until item 7)
Lord Dannatt (until item 6.)
Val Gooding
Malcolm Reading (until item 10)
Sir Trevor McDonald
Jonathan Marsden
Louise Wilson

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Tania Fitzgerald - Finance Director
Graham Josephs - Human Resources Director (item 10 only)
Alyson Lawton - Trust and Company Secretary
Deborah Shaw- Head of Creative Programming (items 5 & 6)

1. **Chairman's comments**

1.1 The Chairman welcomed Bruce Carnegie-Brown to his first Trustees' meeting. He was also pleased to report that the Secretary of State would be re-appointing Liz Cleaver for a second term of three years.

2. **Minutes from previous meetings**

2.1 The minutes of the meeting held on Wednesday 27th November 2013 were approved.

3. **Matters arising from previous meetings**

3.1 The Chief Executive had reflected on the plan to discuss the principles of Tudors on Tour at this meeting. He considered that as there would be no further informed thinking until after the Tudors at the Tower event in May, this discussion should be postponed until the summer. He reassured Trustees that this delay would not affect any actions for 2015.



4. Strategic Development

4.1 The Strategic Plan 2014-17

4.1.1 Key Projects Planning to 2020

4.1.1.1 John Barnes presented a schedule showing the current thinking on major projects planned by palace for the period to 2020. The new idea was to create themes each year and across palaces, rather than the cross-palace crescendos. (The 'Glorious Georges' programme in 2014 would be the last of these). This was an evolving plan and would be subject to funding and resources. The Board gave their views, raising the following matters;

Trustees commented on the proposed plan for major works on the Banqueting House, Whitehall and advanced a number of considerations that might suggest undertaking both the exterior and interior work at the same time rather than separately. It was agreed that management would take these into account when concluding on the eventual plan.

The Board asked about the content for celebrating the 500th birthday of Hampton Court Palace. This would cover all 500 years of its history. Louise Wilson noted that there would need to be a strong marketing campaign and hook to attract high numbers to Hampton Court given its location.

Sir Trevor McDonald noted that there would be a period in 2017-2018 in which three of the palaces would have areas closed. John Barnes noted that further work would be required to ensure that we could manage the risks and resources.

Louise Wilson asked whether there should be more planned for 2015/2016. John Barnes explained that it was usual at this distance to see gaps in the work but expected that in reviewing this again next year, there would be more creative programming offers to attract visitors.

Liz Cleaver asked about our strategic relationship with the Royal Botanic Gardens Kew (RBGK). Plans were being made to brief their Chief Executive on the Glorious Georges theme for 2014-15. The wider role for Historic Royal Palaces at Kew was also being discussed and is beginning to take shape, starting with the Pagoda. Malcolm Reading asked whether there were any quick wins for instance a digital Grand Tour. John Barnes explained that these were being explored but access to some physical areas was limited due to RBGK's own work on the Temperate House.

The Chairman observed that the historic milestones in the next few years were helpful for planning. He asked that Trustees have an opportunity to understand and comment in more detail on the major themes. Bruce Carnegie Brown noted that there will be some risk moving away from the larger themes in terms of attracting sponsorship.

The Chairman thanked John for the presentation and noted that it helped Trustees strategic thinking and it would be useful to have an annual review. Malcolm Reading asked whether there was an equivalent resources review. John Barnes explained that this was not done but that no budgets were allocated without identifying the lead project sponsor and key staff

4.1.2 Financial Assumptions for the Strategic Plan 2014-17

4.1.2.1 The Board noted the contents of the paper. Tania Fitzgerald explained



that the approach was consistent with previous years with two additions: estimated visitor numbers had been extended to years two and three of the plan and updated expenditure estimates on Hillsborough Castle had been included.

Expenditure on Hillsborough had increased from the financial assumptions considered by Trustees in July reflecting more accurate costs and ambitions to do further work. However, there was also more certainty on capital contributions. These bids would be subject to further challenge and refinement during the AOP scrutiny process. The Chairman asked that the revised break-even point be reported in March. The Board confirmed that this revised financial position did not change the decision to take on Hillsborough.

The Chairman reminded Trustees that the prudent approach to visitor estimates does not reflect any lack of ambition but works well in ensuring a prudent approach to costs. Michael Day confirmed that stretch, challenge and ambition are in the plans and the challenge over the next few weeks, when he is conducting detailed departmental budget reviews, would be to refine their ambitious financial expenditure bids to produce a balanced budget. This approach was endorsed by all Trustees including those appointed during the last year.

Louise Wilson noted the need to increase staffing to achieve our ambitions and asked about contingency planning around the use of different staffing contracts. Tania Fitzgerald explained that where possible staff would be contracted for work on specific projects. However there would be an increase in permanent staff numbers.

The Board agreed the assumptions for visitor numbers, retail, functions and events, development, catering and interest income and discussed whether the level of income contingency was now too prudent, given the contingencies built in elsewhere. Michael Day explained that this tried and tested approach enabled HRP to build up further reserves for designating against future projects if the contingency was unused. Malcolm Reading noted that in the past there has been some failure to spend up to the level of expenditure on building conservation in the plan and this could be an added contingency in extremis. John Barnes reassured the Board that we were now much better at keeping on track and that the opportunity to reduce these sums midway through the plans would be limited as it was contracted. The Chairman reminded Trustees that the expenditure on our conservation charitable objective was much greater since significant amounts of conservation work were contained in the separate major projects plan. Tania Fitzgerald explained that the list of major projects was still subject to change depending on affordability.

The Board approved the assumptions in the paper as the basis for the financial forecasts in the Strategic Plan for 2014-17 to be brought for full approval in March.

5. Projects and Expenditure

5.1 Commemorating the First World War – Poppies Project

- 5.1.1 The Board noted the contents of the paper. The Constable, Lord Dannatt talked about the inspiration for the project and his plans to ensure it had maximum impact including briefing stakeholders. Any associated events would need to be appropriate in tone. Michael Day discussed the financial implications. To mitigate the costs further, he also expected more visitors to the Tower including for specific events. The Board agreed that this was an exciting and relevant project for the Tower of London and noted the



opportunities for media exposure. Although the sale of the poppies was the responsibility of the artist, the Constable suggested that there should be an opportunity to purchase them on-site (for delivery after the event) to ensure we are able to maximise the charitable donation after recoveries had been made. Bruce Carnegie Brown noted that it would be key to approach potential sponsors as soon as possible as budgets would have already been agreed and possibly assigned for 2014. The Board approved the Poppies Project as set out in the paper.

5.2 The Cumberland Art Gallery, Hampton Court Palace

- 5.2.1 The Board noted the contents of the paper. The aim of the project was to provide a beautiful setting in which works of art could be appreciated for their own sake. John Barnes thanked Jonathan Marsden as Director of Royal Collection Trust for the loans of works of art from the Royal Collection for the Gallery. The Chairman asked whether there would be any interpretation about the rooms themselves and those who had lived there. John Barnes explained that was not the main focus of the project but that this possibility was being looked at. The Board authorised the investment decision for the project to deliver the Cumberland Art Gallery as set out in the paper.

6 Creative Programming and Interpretation Direction of Travel

- 6.1 The Board noted the contents of the report. Deborah Shaw gave a short presentation to outline the Direction of Travel and Trustees gave their comments. The Trustees Interpretation Sub Group had already debated an earlier version of the paper and endorsed the thinking. Liz Cleaver was assured that the proposals fitted with other significant strategies such as the Learning and Engagement Strategy. Dawn Austwick welcomed the notion of research, development and testing in advance of programming for visitors. The Chairman felt that, in the past, we had sometimes contracted out too much of the creative element of our programming; this was an opportunity to manage this differently. Jonathan Marsden also reminded the Board of the role of the curator in communicating ideas to the outside world. Val Gooding suggested that the links to the other strategies should be more explicit and asked whether targets might be set in terms of visitors. Michael Day reminded Trustees that there were four strategies under the umbrella of Audiences First that all contributed together to the ambition of increased visitors which set out in our statement of intent. He did not think it possible or worthwhile to identify the impact of each strategy individually, since all were linked

The Board asked about the balance in the style of interpretation to reach new audiences whilst not discouraging traditional audiences. Deborah Shaw explained that the presentation had concentrated on creative programming but in other areas of interpretation, lighter touches would usually be preferred. In terms of magnitude, the exhibition and live interpretation are still the major expenditure areas. Dawn Austwick noted that the direction of travel was respectful of the fact that these were palaces. It also created a controlled environment for experimentation whilst setting a high bar for quality. John Barnes felt that the reassurance for Trustees was that the focus starts with the audience segments and the plan was not to upset or offend but to find a way in for new audiences to appreciate the palaces.

Trustees debated whether they needed to understand more about the philosophy and concluded that, with the examples in the appendix and the ambition to provide 'quality, trustworthiness and serious fun', the work should proceed and that they would ask Deborah Shaw to report back



next year on how this work was evolving.

7. Monitoring Performance

7.1 Chief Executive's Reports for December and January

- 7.1.1 The Board noted the contents of the Chief Executive's report. The Chief Executive gave an update on the progress towards agreeing a contract with the Northern Ireland Office for Hillsborough.

Since the report had been written, there had also been further developments on the purchase of the collections store. John Barnes outlined the reasons for the delay. Trustees gave their views and supported the management team in its approach.

The Board then noted the relationship plans for the ten key stakeholder relationships, all of which are in fairly good shape.

7.2 Financial Performance to the end of December 2013

- 7.2.1 The Board noted the contents of the report. The Finance Director explained that the financial position remains strong.

8. Organisation and Governance

8.1 Matters reserved for the Board

- 8.1.1 The Board noted the contents of the report. The purpose of the review was to relieve agendas at Trustees meetings to allow more time for discussion on key matters. The Board agreed the proposed changes including raising the Trustees' approval of projects and contracts from £300k plus VAT to £500k plus VAT. The impact would be reviewed in a year's time.

8.2 Audit Committee,

- 8.2.1 The Board received the minutes of the meeting held on 20th November 2013. A verbal report had already been given at the November Trustees meeting. The Board approved the revised terms of reference for this committee which would now be renamed the Audit & Risk Committee.

8.3 Annual Update on Pensions Strategy

- 8.3.1 The Board noted the contents of the report. Tania Fitzgerald outlined the main points in the paper. Bruce Carnegie Brown asked how the organisation ensures that employees are educated on pension matters. He felt this would become important in the future to demonstrate our organisational approach was fair. Tania Fitzgerald explained the process.

8.4 Register of Interests

- 8.4.1 The Board noted the changes to the register of interests.

8.5 Dates for Trustees' Meetings in 2014 and 2015

- 8.5.1 The Board noted the contents of the report and agreed that the Board should hold the October 2014 meeting at Hillsborough Castle. As this would involve extending the time planned for this meeting to allow for travel time, the Trust and Company Secretary would check with Trustees' offices before confirming arrangements for this change to location in 2014 and for the dates for 2015.



9. **Any Other Business**
 - 9.1 This was no other business.
10. **Executive Board Succession Planning**
 - 10.1 The Board gave their views and agreed a revised Executive Board Succession Plan.
11. **Next Trustees meeting:**

Wednesday 19th March 2014

