



Historic Royal Palaces is the charity that looks after

**Tower of London**  
**Hampton Court Palace**  
**Banqueting House**  
**Kensington Palace**  
**Kew Palace**  
**Hillsborough Castle**

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: **Wednesday 20 January 2016**

Location: **Kensington Palace**

Attendees: Rupert Gavin (Chairman)  
Dawn Austwick  
Sir David Cannadine  
Lord Dannatt  
Val Gooding  
Jane Kennedy  
Jonathan Marsden  
Sir Trevor McDonald  
Mike Stevens  
Louise Wilson

Apologies: Bruce Carnegie-Brown  
Liz Cleaver

In attendance: Michael Day - Chief Executive  
John Barnes - Conservation and Learning Director  
Paul Gray - Palaces Group Director  
Jane McKeown - Acting Finance Director  
Alyson Lawton - Trust and Company Secretary  
Elizabeth McKay - Chief Learning and Engagement Office (item 6 only)

### 1. **Chairman's comments**

- 1.1 The Chairman noted the apologies received from Bruce Carnegie-Brown and from Liz Cleaver. He introduced the main agenda items in this meeting, noting that management had a huge workload of key deliverables for the next six months and much of the agenda was focused on that.

There were no conflicts of interests declared.

### 2. **Minutes of the last meeting**

- 2.1 The minutes for the meeting held on Tuesday 17 November 2015 were approved.

### 3. **Matters Arising**

- 3.1 Jonathan Marsden asked about the next phase of "Art in the Palace" at Hampton Court as curatorial input had not been indicated in the report to Trustees of their plans for 2016/17. John Barnes explained that there were plans within the CP&I programme and will provide further information for him.

There were no further developments to security protocols at Hillsborough.

Louise Wilson asked whether the extra curatorial resource for the Hillsborough Castle project had been resolved. John Barnes explained the plans.



#### **4. Monitoring Performance**

##### **4.1 Chief Executive's written reviews for December and January**

###### **4.1.1** The Board noted the contents of the reports and discussed recent developments.

The new Orangery building at Kensington Palace would be a higher priority in the project planning. Jane Kennedy asked about the risk of the brief changing. John Barnes explained that the brief needed clarity and that a value engineering workshop was taking place to assist this. Once a refined plan is emerging, the Trustees' sub-group would be consulted.

The Board also noted the update on the Hillsborough Car Park.

A full emergency exercise had taken place yesterday at the Tower of London. The Chief Executive, Michael Day, recorded his thanks to the emergency services. Important lessons had been learnt for our future planning.

##### **4.2 Key events for Trustees' diaries**

###### **4.2.1** The Board noted the dates of key events and undertook to attend if they were able.

##### **4.3 Financial Performance to the end of December**

###### **4.3.1** The Board noted the acting Finance Director, Jane McKeown's report on performance. Visitor numbers were tracking the forecast. However, there was a positive income variance due to the mix of visitors. She explained that operating and project expenditure were both below forecast.

Mike Stevens asked about the relatively low level of year-to-date interpretation expenditure compared with the forecast and whether there was any risk to delivery of projects impacting the visitor experience. John Barnes explained that this expenditure was back-loaded towards the end of the financial year for delivery for the next visitor season starting at Easter. A greater level of contracted creative programming rather than capital expenditure also influenced the phasing of expenditure. He will check the expenditure plans to verify this.

#### **5. Strategic Plan 2016-19**

##### **5.1 Financial assumptions for the Strategic Plan 2016-19**

###### **5.1.1** The Board noted the contents of the paper. Michael Day explained the main principles; we aim to balance the budget each year allowing for an income contingency; we set visitor targets that we are confident of achieving as this gives us a baseline for expenditure but this does not diminish our ambition to do better, and projects are financed by a combination of in-year surplus and by designated funds.

Jane McKeown explained that the assumptions for the Annual Operating Plan 2016/17 would also inform the plans for 2017/18 and 2018/19. As a change to previous years, the ambition was to balance all three years of the plan to reassure Trustees on the affordability of projects. This new process had forced more prioritisation. John Barnes explained the detail of projects planned including how the acceleration of the Kensington Orangery building might be funded if necessary, noting however, that it was not a decision that needed to be taken immediately.

Dawn Austwick asked about projects extending beyond the three-year planning horizon and also those in the pipeline. John Barnes gave the Banqueting House phase



2 and Digital as examples of the former. He noted that there was a wealth of projects for years beyond the plan but no flexibility to add further projects into the next three years unless financial performance changes.

Jane Kennedy asked about the reduced planned maintenance budget. John Barnes explained that this was due to the change in approach. The most significant maintenance project in value terms was the King's State Apartments at Kensington Palace. This was now shown as part of the major projects list. With the State of the Estate being generally in good condition, major maintenance projects can now compete with the development projects. The planned maintenance budget is therefore for rolling programmes and smaller projects. Michael Day reminded Trustees that other major projects in the list such as Kew, Hillsborough and the Banqueting House Whitehall have significant conservation elements.

Lord Dannatt, whilst supportive of the priorities, expressed concern that the Tower Entry Scheme might end up with further delay: the entry arrangements were of major importance for the Tower of London. Michael Day explained that the scope of this project had not yet been firmed up and it was likely to be very significant in terms of scale. Timing dependent on planning of appropriate stages relating to Thames Wharf and pier which is out of our hands. John Barnes indicated that the likely scale would mean that it would be difficult to run in parallel with the delivery of Hillsborough. However, a modest improvements scheme was programmed during the next three years.

The Chairman observed that all the projects remaining in the major projects list are either already ongoing or those where we have a commitment to deliver them. He asked what the impact on reserves would be at the end of the three-year period. Jane McKeown reminded Trustees that the reserves were not the only source of funding and that around £10 million came from in-year funds. Any grants and donations would also be relieving the pressure on our own reserves. A full analysis of the reserves will form part of the final Strategic Plan to be presented for approval to Trustees in March.

Louise Wilson and Dawn Austwick commented on the development assumptions. The Chairman noted that a Development update was planned for the March meeting and should give Trustees full scope to discuss these plans.

Sir David Cannadine suspected that the global outlook formed by our consultants, Trajectory, in December was likely to be even more uncertain given the recent volatility in world markets. Sir Trevor McDonald noted that it was a position that Historic Royal Palaces had dealt with before.

The Board approved the assumptions set out in the paper as the basis for the financial forecasts in the Strategic Plan for 2016-19 to be brought forward for full approval in March.

## **5.2 The Statement of Intent**

### **5.2.1** The Board noted the revised Statement of Intent which had been developed following Trustees' comments at the last meeting.

John Barnes thanked Liz Cleaver and Louise Wilson for their advice in developing this iteration. Liz Cleaver had already given some feedback to him on this version which he reported in her absence.

John Barnes explained that if Trustees agree the principles, there is more work to be done on the supporting actions. Louise Wilson felt that these should be kept at a strategic level.

Trustees agreed that this was a good piece of work and that any refinements in



wording should be left to management.

Jonathan Marsden challenged the notion of being exclusively customer-centric sometimes it was necessary to be palace-centric to meet our charitable objectives. David Cannadine also observed that as experts on the buildings and their history, there were occasions where we needed to decide content for our audiences.

The Board agreed the draft Statement of Intent, which would now be refined and form part of the Strategic Plan 2016-2019.

## **6. The Learning and Engagement Strategy: Update for 2016-18**

### **6.1 Elizabeth McKay, Chief Learning & Engagement Officer, played a short film to illustrate learning and engagement activities in the Strategy. She observed that the initiatives that had been the most distinctive were those in which we had involved audiences in their development.**

The Board was pleased with the progress made since they had approved the Strategy three years ago and thanked Elizabeth and her team. Sir Trevor McDonald felt that film was a marvellous expression of how far we had come, observing that Learning and Engagement is so very broad but so central to what we do. Sir David Cannadine noted that with an ambition of establishing longer lasting relationships with our audiences, it was important that we had accurate audience data against which we could chart progress.

Jonathan Marsden commented on the use of technology within the programme designed for young audiences. Elizabeth McKay explained that this was only part of the mix on offer to engage them.

Lord Dannatt asked about reaching audiences who were never able to visit. Val Gooding felt that we should be looking beyond providing a digital record of on-site activities but ask ourselves how we might get much larger off-site audiences participating. Elizabeth explained that she had started with the physical on-site experience and we are doing more content syndication but it is not a like for like experience. However we are leveraging social media.

The Chairman observed that there were choices to be made. He asked the extent to which we are using digital as amplification of what we are doing on-site or as a “stand alone” offer. Elizabeth explained that we do record on-site activities. These are quite passive to an on-line viewer. However we are also experimenting with new more active activities including a MOOC (Massive Open online course).

Mike Stevens noted that the paper recorded ambitious targets for reach beyond the visitor numbers approved in the financial assumptions paper. Elizabeth McKay explained that her reach numbers were based on contacts. John Barnes explained this was starting to translate into some growth in visitor numbers, for instance in families, but that it needed to be more noticeable. Elizabeth explained that the learning and engagement improvements had been to the quality of the on-site family offer and these were not subject to a separate charge but included in the admissions price. Mike Stevens therefore suggested that our marketing needed to communicate the improved quality of our family provision.

Louise Wilson asked the impact of the significant changes to the school history curriculum. The team had now developed a cross curriculum offer. The biggest fall in school visits has been seen at Hampton Court but we have managed to hold numbers at the Tower and Kensington by offering changes in subject matter, formats and sessions. However it remains a challenge.

Elizabeth McKay also explained the change in approach to off-site events which was



intended to achieve similar reach but at significantly reduced infrastructure cost.

The Chairman concluded the discussion noting considerable progress. He had felt that the strategy would benefit from a number of refinements and had already asked the team to look into these. They were

- How we can get a sense of the totality of learning from all areas of our work not just those developed by the learning and engagement team.
- Refining the measurement of learning impact KPIs.
- With the objective of our Cause of “helping everybody” and with the richness of the offer, forming an understanding of how we make choices.

## **7. Hampton Court Palace Visitor Performance**

7.1 The Board noted the content of Paul Gray’s paper. He explained that certain visitor types which were not currently being reported in the overall visitor numbers. A plan was in place to count these in future.

The Board noted and discussed the means of transport to Hampton Court together with potential opportunities and limitations both in the immediate and longer term, noting the testing on the car park that will be done in 2016-17.

The Board noted the position of Hampton Court against its competitors in terms of visitor numbers. Val Gooding felt that our competitive position was not sufficiently well articulated. There are so many different aspects; Hampton Court is not just a historic place, there are the gardens and the unique art collection. She asked about how we encourage the Travel Trade visits to Hampton Court.

Mike Stevens observed that visitors make choices and that Hampton Court was not a “must see attraction” unlike the Tower of London or Windsor Castle. Making Hampton Court a “must see” attraction in a competitive market was a challenge.

Next year, our programming would be focusing on the gardens and the Magic Garden, an immersive children’s play garden, was due to open in May. In our estimates of its impact, Michael Day explained that he had been quite cautious in visitor number projections but the impact could be significant.

Louise Wilson asked for information on the local marketing plan.

The Chairman noted that there was no single matter influencing the number of visitors that could be achieved at Hampton Court Palace. The Chairman thanked Paul Gray for his analysis and noted the initiatives and testing in 2016 which would inform future thinking and looked forward to a further discussion when the impact of these activities during the current year have been measured..

## **8. Sub Committees**

### **8.1 Audit & Risk Committee**

8.1.1 The Board received the minutes of the meetings held on 8 October and 9 December 2015. Dawn Austwick, Chairman of the Committee, highlighted the main matters from each meeting. Michael Day responded to matters raised by Trustees.

### **8.2 Nominations Committee**

8.2.1 The Chairman briefed the Board on the conclusions from the meeting held on 17 December 2015 and progress since the meeting regarding the two upcoming Trustees appointments.

He was also pleased to report the re-appointment of Louise Wilson by the Secretary of



State at the Department for Culture, Media and Sport (DCMS) for a second three year term.

Val Gooding, due to her diary commitments, had advised him that she would sadly be unable to be considered for re-appointment in August. He expressed the Board's appreciation for her contribution during her term of office but understood the difficulty.

He noted that one-to-one meetings with Trustees to discuss board effectiveness were all now fixed and that a broad set of possible questions for discussion would be circulated shortly.

Finally, the DCMS had issued new guidance on board practice. The Chairman and the Chief Executive were considering the implications for the Board and would report back.

### **8.3 Investment Committee**

**8.3.1** The Board received the minutes of the meeting held on 11 November. A verbal report of this meeting had been given at the previous Trustees meeting.

### **8.4 Remuneration Committee**

**8.4.1** The Chairman of the Remuneration Committee, Lord Dannatt, briefed the Board on matters discussed at the meeting that morning.

## **9. The Banqueting House Conservation Management Plan**

**9.1** The Board noted the contents of John Barnes' report. With the plan for the Banqueting House now complete, each of the six sites now has a conservation management plan. The plan set out the policies to guide decision making on the care and use of the buildings. John Barnes briefed the Board on the four over-arching principles unique to the Banqueting House.

Jane Kennedy praised the quality of the document, suggesting that for an external audience, it would benefit from a review of the graphics. She suggested that the Preface as currently drafted did not position the document correctly and had some amendments to propose. Jonathan Marsden agreed that it was exemplary and also noted that the preface would benefit from further refinement. John Barnes agreed and will make the changes.

The Board of Trustees approved the adoption of the Banqueting House Conservation Management Plan.

## **10. Procedural Matters**

### **10.1 .Schedule of Strategic Discussions at future Board meetings**

The Board noted the schedule of strategic discussions planned to take place at Board meetings in 2016.

### **10.2 Register of Interests**

The Board noted the changes to the register of interests.

## **11 Any Other Business**

**11.1** There was no other business

**12. Next meeting: Wednesday 9 March The Tower of London at 2.30pm**

