



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 22<sup>nd</sup> July 2015**

Location: **Hampton Court Palace**

Attendees: Rupert Gavin (Chairman)  
Sir Alan Reid (Deputy Chairman)  
Dawn Austwick  
Sir David Cannadine (until item 11)  
Bruce Carnegie-Brown (until item 12)  
Liz Cleaver  
Lord Dannatt (until item 12)  
Val Gooding (until item 12)  
Jonathan Marsden  
Sir Trevor McDonald  
Louise Wilson

Apologies: Jane Kennedy

Observer: Mike Stevens

In attendance: Michael Day - Chief Executive  
John Barnes - Conservation and Learning Director  
Paul Gray - Palaces Group Director (for item 13 only)  
Richard Harrold - Tower Group Director (until item 12)  
Jane McKeown - Acting Finance Director  
Alyson Lawton - Trust and Company Secretary

For item 7 only

Nigel Cook - Security Advisor

For item 8 only

Kate Frame - Head of Conservation and Collections Care

Adrian Phillips - Surveyor of the Fabric

Terry Gough - Head of Gardens and Estates

### 1. Chairman's comments

1.1 Rupert Gavin noted that apologies had been received from Jane Kennedy.

Historic Royal Palaces has been awarded Independent Research Organisation Status (IRO). This was a huge achievement and the Board asked the Chief Executive, Michael Day, to pass on their congratulations to the team.

The Chairman also summarized the success of the Kensington Palace gala.

There were no conflicts of interests declared.

### 2. Minutes of the last meeting

2.1 The minutes for the meeting held on Wednesday 20<sup>th</sup> May 2015 and Monday 22<sup>nd</sup>



June 2015 were approved.

### 3. Matters Arising

3.1 There were no matters arising.

### 4. Monitoring Performance

#### 4.1 Chief Executive's written reviews for June and July

4.1.1 The Board noted the contents of the report and the summary conclusions on the future of Tudors on Tour. Dawn Austwick asked whether there would be an opportunity to reflect further on lessons learnt. Michael Day explained that Tudors on Tour was originally conceived as a solution for how we reach audiences that would not normally come to the Palaces. Since then, we have found other ways, including taking on Hillsborough Castle.

Whilst the event itself was really successful, it was hard to find a way to make it a financially sustainable model for the future as a standalone self-financed activity. Liz Cleaver reminded the Board that it was also conceived as an innovation project, which would build over time, and because of the innovation, it has now led to other things. It had not been intended to happen just once as a one-off event.

Future opportunities that had emerged and were now being pursued for next year. These include working with other organisations to provide a venue for our proposition and to provide a marketing platform. Whilst noting that this was a decision for management, Louise Wilson stressed the importance of brand in our choice of partners. Dawn Austwick felt, as a sector, museums and heritage had consistently undersold its brands and that we need to get value from any contractual arrangement with corporate partners. Michael Day reminded the Board that these arrangements would be a way to reach an audience that we have previously struggled to get access to. Rupert Gavin also noted that it reduces the risk, and in this case delivers a financial return based on a guaranteed fee, but reassured the Board that the narrative and content control would remain ours.

The Board also noted the outline of the Trustees Strategic Session in late September, including changes from previous years. Louise Wilson asked whether there might be some competitor analysis for context.

Sir David Cannadine noted that it was really wonderful news about IRO status. Historic Royal Palaces is the first heritage organization to be granted this status. The Chairman observed this was an important message in our communication of it.

#### 4.2 Financial Performance until the end of June 2015

4.2.1 The Board noted the Finance Director's report, including the financial review after the first three months of this financial year. Jane McKeown, Acting Finance Director, advised that results to June were tracking budget for visitor numbers and income. Dawn Austwick asked about functions and events forward bookings: the gap was similar to last year. Asked whether the scaffolding at the Banqueting House was having an impact, Richard Harrold, Tower Group Director explained that this was not clear cut, and that we may even be able to take it down earlier. However some commercial bookings have appreciated the hoardings and the projection onto the internal windows whilst they have been covered.

The Board asked when we might see the impact of the weakness of the Euro on our results. This was likely to take a year, although Sir Alan Reid observed that the impact might be seen first in retail as this was secondary spend.



## 4.3 Key Events for Trustees' diaries

- 4.3.1 The Board noted the dates of key events. The Secretary of State at the Department for Culture, Media and Sport (DCMS) would be visiting the Tower of London on August 25<sup>th</sup>. The Chairman was also pleased to report plans for a fundraising reception in New York.

## 5. Remuneration Committee

- 5.1 The Chairman of the Remuneration Committee, Lord Dannatt, briefed the Board on matters discussed and approved at the meeting that morning.

## 6. Nominations Committee

- 6.1 The Chairman briefed the Board on matters discussed at the meeting held on 20<sup>th</sup> July, including the long term Trustees' succession plan and plans for immediate succession. He would bring a paper to the Board in October.

## 7. Annual Security Report

- 7.1 Nigel Cook, Security Advisor, joined the meeting to discuss matters raised at the Trustees meeting in June.

## 8. Give the Palaces the care they deserve

- 8.1 The Board noted the contents of the report. The Conservation and Learning Director, John Barnes, summarised the key matters. Progress had been good in many areas. He highlighted in particular the following achievements:
- For buildings conservation: the project is now onsite for the external elevations of the Banqueting House, and all elevations of Base Court brick work have been completed at Hampton Court Palace.
  - For collections care: the five London palaces have received the Arts Council England Museums re-accreditation; cross team working in delivering the Cumberland Art Gallery had been good, and the process for collections management is finally taking shape.
  - For the Estates: he was pleased that Home Park at Hampton Court Palace had been awarded Special Scientific Interest status; that the Kitchen Garden at Hampton Court Palace was now well established and that there has been progress in the gardens at Hillsborough.

We were now using outcome-based indicators to track performance as well as still monitoring value for money. For next year, he intended to change the way in which we budget for major investments to make it more effective.

Sir Alan Reid congratulated John and his team for their extraordinary track record of projects, often going on in the background of other major initiatives. Sir Trevor McDonald agreed, noting the range of projects that go on simultaneously.

Sir David Cannadine asked about records management and archiving. Kate Frame explained that we organise our records against a retention schedule, with the main guidance coming from the National Archive.

The Constable and Jonathan Marsden praised the Queen's House project at the Tower of London and its project management. This has been a bumper year for hoardings and Queen's House was a good example. Jonathan Marsden observed that almost uniquely, Historic Royal Palaces uses them to enhance the visitor experience. Adrian Phillips explained that this has been achieved by collaboration



with the creative programming team.

Val Gooding asked about the Tijou Screen at Hampton Court. This was an ongoing project likely to take, in total, twelve years, due to the cost and specialist resourcing required.

The Board noted that the total fees percentage was consistently well below the target and challenged the team now to revise the target downwards. Adrian Phillips would review the target, taking into account the longer term cycle of work to be done. He noted that current performance is in part due to the earlier phases of projects completing this year, but having the higher start up fees in earlier years. Fees also tend to be lower as a percentage in larger scale projects.

Michael Day illustrated the challenge of surveying the estate for buildings condition by showing a piece of the oak wall plate that supported the Inigo Jones roof in the Royal Tennis Court at Hampton Court. It was only during a phase of works that the poor condition of the wood was revealed after the cladding had been removed. Our current estimates are based on visual inspection, which cannot reveal this sort of problem. 96% of our assets are at or above target condition by visual inspection but other conservation issues reveal themselves only when work is underway. John Barnes explained that it was not possible to ever finish this work. There will always be some part of the whole estate below target condition but this is now at a very manageable level.

Val Gooding asked about our ambition for the restoration of fountains at Hampton Court Palace. Work in the gardens is informed by the Gardens Conservation Management Plan, which is reviewed every five years. The next review will be in 2016. John Barnes gave the example of The Queen's Fountain Garden, which existed on the East Front for fifteen years during the reign of Queen Anne. The area is now planted with 300 year-old yew trees. In deciding on any restoration, we need to consider the extent to which it damages what exists now. He felt therefore that there was probably more scope, in the long term, for restoration in the Wilderness area.

The Chairman concluded discussions by thanking the team, on behalf of the Board, for their work. It was an area that was well handled, and with care to the overall purpose.

## **9. Hillsborough Castle**

- 9.1** The Board noted the contents of the report. The Board asked John Barnes to summarise the revised cost of the project both in capital and operating terms and the sources of funding, including the phasing of funding from Historic Royal Palaces' own resources.

Michael Day explained that since taking on responsibility for the site, many more possibilities had emerged, resulting in an ambition of greater scale than in the original feasibility study. The scope of some areas had widened, such as the car park requirement, and further insight into site operations had meant other changes to anticipated expenditure. In the longer term, Hillsborough Castle would still produce a positive financial contribution which can be invested in later phases of development. The Chairman noted that he expected a further upside on visitor numbers, as the plan had a conservative estimate for visitors.

The Board was pleased to have management responsibility for Hillsborough Castle and noted the ambition to also make some changes more quickly. However for governance purposes, they felt that their endorsement of a report setting out the new investment plan, how plans had changed since the original feasibility study and the consequent impact on costs and funding was an essential prior step to agreeing



an application to the Heritage Lottery Fund in early autumn. It was agreed that this report would be circulated by email to the Board in advance of the October meeting and that Trustees would be asked to respond with any outstanding questions well in advance of that meeting.

In the meantime, the team would continue the preparation work for the Heritage Lottery Fund application. The Chief Executive explained the approach to the scale of funding being sought.

Lord Dannatt asked how the development of our plans was being viewed locally. Richard Harrold explained that it was understood that changes would take time, both at the political level and with stakeholders. We were actively involved in explaining our plans locally but there was some frustration that some parts were not moving fast enough.

The Board also commented on the draft Case for Support for funding.

## **10. Update on Buildings Insurance Cover**

- 10.1** The Board noted the update from the Chief Executive. He had received notice from the Department for Culture, Media and Sport of their changed position. He had been exploring options to ensure that Historic Royal Palaces is better placed to cover the cost of any fire damage without diverting funds from our ongoing activities. He had received helpful advice facilitated by Bruce Carnegie-Brown. Jane McKeown explained further detail.

The Board commented on the update. The Board agreed that the Audit and Risk Committee, as a consultative panel, should consider the evolving proposals on behalf of the Board and the risks retained for Historic Royal Palaces. Bruce Carnegie-Brown can provide advice at a general level for the time being, noting that as he is non-executive Chairman of AON Ltd, there could be a potential conflict of interest to be managed in any deeper involvement.

## **11. Hampton Court Palace – Royal Gardens 2016**

- 11.1** The Board noted the contents of the update. Proposals for investment approval for the 2016 programme will follow at the next Trustees meeting. Michael Day confirmed that we are on track with marketing the 2016 programme. He also explained the changes to admissions pricing and logistics to accommodate the Magic Garden. As part of this meeting, the Board then visited the site of the Magic Garden to view progress.

## **12. Transform**

- 12.1.** The Board noted the contents of the report and discussed both the benefits and disadvantages of using an external supplier for this work within the digital programme, and concluded with the approval of the contract extension with Transform.

## **13. Hampton Court Music Festival**

- 13.1** The Board noted the contents of the report. Since the report had been written, PWR had been acquired by IMG. However, this did not materially affect the proposal. The Board gave their views and agreed to the recommendation in the report.

## **14. Audit and Risk Committee**

- 14.1** The Board agreed to appoint Mike Stevens to the Audit and Risk Committee, with



effect from 1<sup>st</sup> August 2015, when he joins the Board.

**15. Register of Interests**

15.1 The Board noted the changes to the register of interests.

**16. Any Other Business**

16.1 This was Sir Alan Reid's last meeting as a Trustee after thirteen years on the Board. The Chairman thanked Sir Alan warmly for his contribution throughout his involvement with Historic Royal Palaces. He has been one of the most dedicated, supportive, talented and insightful Trustees. He has been held in high regard not only by the Trustees who have served with him on the Board but also by the management team who have worked with him. He will maintain contact with Historic Royal Palaces through his role in the Royal Household as Keeper of the Privy Purse but he is succeeded on our Board by Mike Stevens, Deputy Keeper of the Privy Purse, on 1<sup>st</sup> August 2015.

**17. Next meeting: Trustees Strategic Session Wednesday 30<sup>th</sup> September 2015 and Trustees Board Meeting 1<sup>st</sup> October 2015 – both at the Tower of London.**

