



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: **Wednesday 19th March 2014**

Location: **The Tower of London**

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

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director (from 4.1.3)
Gina George - Retail Director
Paul Gray - Palaces Group Director
Richard Harrold - Tower Group Director
Danny Homan - Communications and Development Director
Graham Josephs - Human Resources Director
Tania Fitzgerald - Finance Director
Alyson Lawton - Trust and Company Secretary

1. **Chairman's comments**

1.1 The Chairman noted full attendance for this meeting.

2. **Minutes from previous meetings**

2.1 The minutes of the meeting held on Thursday 23rd January 2014 were approved.

3. **Matters arising from previous meetings**

3.1 Liz Cleaver suggested that the next step for Creative Programming and Interpretation might be the development of a Strategy rather than the action to report back on progress on the Direction of Travel (6.1 January Minutes).

The Chief Executive, Michael Day, explained that, given the nature of this field of work, he felt the better approach would be to test programmes this year as indicated in the Direction of Travel paper and to report back



on the outcome as agreed at the last meeting. After discussion, the Board agreed his approach.

4. Strategic Development

4.1 The Strategic Plan 2014-17

4.1.1 The Board noted the contents of the report. Michael Day introduced the plan, outlining the process to reach this final stage. Trustees' approval was being sought for the Annual Operating Plan for 2014-15, whilst plans and costs for the following two years of the Strategic Plan were indicative.

Trustees discussed the plan, which was framed around our five strategic aims, raising matters for clarification and matters for further consideration over the forthcoming year.

The plan summarised the new brand proposition to our audiences. This focused on what is distinctive about Historic Royal Palaces and what people can expect from engaging with us. The Board welcomed this development. The Chairman suggested that it might be helpful to Trustees to hear more about this in the forthcoming year.

4.1.2 Strategic Aims 2 and 3; Transform the way that visitors explore their story & Have wider impact in the world.

The Board discussed the reach of Learning & Engagement. Evaluating reach and its impact was an area challenging to all similar organisations. Liz Cleaver explained that an aspect of the Learning & Engagement Strategy was to find a better means of measurement; this was especially important given our ambition to grow our audiences beyond palace visitors. The Chairman asked for future clarification on the metrics in the plan on page 25. Michael Day proposed that in future plans, he would provide definitions in footnotes.

As part of the Poppies project at the Tower, Lord Dannatt would be in contact with all the High Commissions in London. These could be important in long term relationships to grow Commonwealth audiences.

4.1.3 Strategic Aim 1; Giving the Palaces the care they deserve

The Conservation & Learning Director, John Barnes, was pleased to report that contracts had been exchanged for the collections store.

The Chairman asked whether we were spending enough on care for the collection. John Barnes felt spending was at the right level, reminding Trustees that the costs shown were only the cost of the actual treatments and these varied year-on-year depending on the projects being undertaken. A specialist in-house team does a significant part of the work themselves and the cost of the team was shown as part of the payroll cost. The main challenge for the team was managing the increased level of use of the palace for visits, functions, events, learning and programming to ensure no harm to the interiors and the collections.

Dawn Austwick, Chair of the Audit and Risk Committee, reported that the Committee had looked at collections management at their recent meeting and reviewed the latest internal audit report on it. The team had made good progress against matters outlined in previous audits. They were comforted that the team were addressing issues in the right way and in the right timescale. Nevertheless, she noted that there was still a lot of



work to be done.

Malcolm Reading noted the good cumulative performance in eight years against the conservation investment plans for buildings, collections and gardens set ten years ago. Target investment had been met for gardens and exceeded for both collections and buildings, and he judged the quality of the work as outstanding. In addition, John Barnes reminded Trustees there was further significant conservation spend in major projects.

A new ten-year programme of planned maintenance is being developed and a summary will be brought to the Trustees meeting in July.

4.1.4 **Strategic Aim 4; Build one organisation behind the Cause**

The Board noted the large number of new posts in the plan. A significant number were related to taking on Hillsborough Castle and developing the new strategies, but some additional staff were needed in response to greater numbers of visitors. The Chairman asked about the additional fixed term posts, observing that some in the past had become permanent. Graham Josephs, Human Resources Director, agreed that this had happened but reassured the Board that many of the new fixed term roles were project related. The Chairman asked for a further report on this as part of the next Annual People Report in November 2014.

The Board asked about apprentices and interns. The levels of both apprentices and interns are similar to previous years. About 50% of apprentices have been successful in securing permanent positions. This works particularly well in IT and Front line staff.

4.1.5 **Strategic Aim 5; Generate the Money to make it all happen**

The Board noted the financial summaries by income and expenditure and by charitable objective including the major project costs and reserve movements.

Val Gooding asked about filming. Although we occasionally host commercial feature films, we are increasingly prioritising filming relevant to our Cause and content which can then be re-used to reach our audiences in different ways.

Louise Wilson asked whether there was anything further to report on the Banqueting House works and its impact on events income. John Barnes explained that we are considering developing replacement added-value displays.

The Chairman observed that the sales growth in Retail was not being reflected in the bottom line. Gina George, Retail Director, explained the combination of initiatives that were affecting this, including the investment in offsite retail expected to deliver increased benefit in future years and the expected impact on retail sales at Kensington Palace of the reconfiguration of the café at Kensington Palace.

The Board also discussed Development, noting that more detail would come in the annual report back to Trustees.

Trustees also asked how our catering contract compared with others in the sector.

4.1.6 The Board approved the Annual Operating Plan for 2014/15 as part of the



Strategic plan for 2014-7 noting that there was still work to do to balance the two future years, which was not unusual at this stage of the three year cycle.

Sir Alan Reid reflected on the scale of progress particularly over the last five years and congratulated the Executive Board and their teams on all that they had achieved.

4.2 Designation of Reserves

4.2.1 The Board noted the contents of the report. In addition to the major programmes and strategies, some specific designations on key expenditure projects were being proposed to give a degree of certainty about our ability to fund them. The Board agreed the recommendation in the paper.

4.3 Hillsborough Castle

4.3.1 The Board noted the contents of the report. Substantial progress had been made with the transfer of responsibility to Historic Royal Palaces in respect of the care, conservation and presentation to the public of Hillsborough Castle with effect from 1st April 2014. However, not all matters had been able to be resolved. After debate on the risks, the Board approved the Contract with the Northern Ireland Office and associated papers and that the Chairman would agree any subsequent minor changes in drafting and sign all documents on their behalf.

The Chairman discussed the draft letter from DCMS to give their consent under the requirements of the Royal Charter. The Board confirmed that they were content.

5. Projects and Expenditure

5.1 Future Thinking and master plan for the Tower of London

5.1.1 The Board noted the progress of the work to create long-term, far reaching plans for the Tower of London. A presentation would be made at the Trustees meeting in July. In the meantime, Trustees were invited to participate in the internal consultation to shape the final thinking.

6. Monitoring Performance

6.1 Chief Executive's Reports for February and March

6.1.1 The Board noted the contents of the Chief Executive's Reports.

Michael Day was pleased to report the exchange of contracts on the Thames Ditton Collections Store.

The Board approved the acquisition of the painting outlined in the March report.

The Board noted Historic Royal Palaces' reply to the consultation on the New Model for English Heritage and congratulated John Barnes on the well-drafted letter.

The Board also noted that head-hunters had been appointed for the search for a new Chair.



6.2 Financial Performance to the end of February 2014

6.2.1 The Board noted the contents of the report. The Finance Director, Tania Fitzgerald, explained that the financial position remained strong.

7. Organisation and Governance

7.1 Audit and Risk Committee

7.1.1 The Board received a verbal report from the Chair of the Audit and Risk Committee, Dawn Austwick. There were no significant items to note other than reported earlier on collections management under 4.1.3. The minutes of the meeting would be included in the May Trustees papers.

7.2 Trustees Sub Committees

7.2.1 The Board approved the appointment of Val Gooding to the Audit and Risk Committee to replace Malcolm Reading when he leaves the Board.

7.3 Dates for Trustees' Meetings in 2015

7.3.1 The Board noted the contents of the report which confirmed the dates for 2015 set out at the last meeting. Arrangements for the Strategic planning session in October 2014 discussed at the last meeting were also confirmed.

8. Any Other Business

8.1 The Chairman noted that this was Malcolm Reading's last meeting as a Trustee after nine years on the Board. The Chairman thanked Malcolm for his extraordinary contribution to a significant number of buildings and conservation projects during his term of office and his valued support of our conservation teams and our work generally.

Due to a backlog of DCMS appointments, it had not as yet been possible to commence a process to find his replacement. Given that these particular skills were required at Board meetings, they were pleased that Malcolm had indicated that he would be prepared to attend as an observer until his replacement is appointed.

8.2 This was no other business.

9. Next Trustees meeting:

Wednesday 21st May 2014

