



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 18 March 2015**

Location: **Tower of London**

Attendees: Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman)
Dawn Austwick
Bruce Carnegie-Brown
Liz Cleaver
Lord Dannatt
Val Gooding (until item 5)
Sir Trevor McDonald
Jonathan Marsden
Louise Wilson
Malcolm Reading (Observer)

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Gina George - Retail and Catering Director
Paul Gray - Palaces Group Director
Richard Harrold - Tower Group Director
Jane McKeown - Acting Finance Director
Dan Wolfe - Communications and Development Director
Alyson Lawton - Trust and Company Secretary
Chris Martin - Head of Development (item 4.2)
Heather Hillburn - Tower Programme Sponsor (item 5.1)

1. Chairman's comments

- 1.1 The Chairman noted full Board attendance at this meeting. He also reported that after nine very successful years, Chris Martin, Head of Development who would be joining the meeting later, would be leaving at the end of May.

2. Minutes of the last meeting

- 2.1 The minutes for the meeting held on Thursday 22 January 2015 were approved.

3. Matters Arising

- 3.1 There were no matters arising.

4. Strategic Development

4.1 Strategic Plan 2015-18 and Annual Operating Plan 15/16

4.1.1 Designation of Reserves for the year end 2014/5

The Board noted the contents of the report. Following further consultation with the Chairman, the proposal had since been refined and as a consequence, the amount proposed to designate against bids arising at the 2016 half-year forecast



would be increased. The final year-end position will be reported at the May Trustees meeting. It was anticipated that there would be further monies to designate equally towards Hillsborough and the Tower Entry project.

The Constable suggested designating funds for the Tower Master Plan of which the Entry Project was the priority. The cost of the Master Plan depended on whether the Pier work is included. Bruce Carnegie-Brown noted that it would be helpful to have an early understanding of the costs and the likely sources of funding. Val Gooding agreed, especially as it was an ambitious project with risk attached.

Michael Day, Chief Executive, reminded the Board of the philosophy behind the designation of our reserves, which aims to strike a balance between setting aside some funds for projects in the near future, and some for those in the medium term. The Tower Entry project sits in the medium term (starting 2 or 3 years from now) because there are some complex issues to be resolved. If we designate reserves against this now, it might leave projects in the nearer future without sufficient funding.

The Board approved the revised recommendations. The Chairman asked Michael Day to consider when to report back on the costs and funding for the Master Plan, and also asked management to consider any further impact from this discussion on the next iteration of the designation proposal in May.

4.1.2 Strategic Plan 2015-2018 including the Annual Operating Plan 2015/6

- 4.1.2.1** The Board noted the contents of the plan, which reflected previous discussions on overall ambition and direction of travel. Michael Day noted that although the Annual Operating Plan for 15/16 was balanced, 2 and 3 were not, and that he would be working with the Executive Board to resolve this in the forthcoming year as usual. The Board were pleased that agreement had been reached to take on management responsibility for the Great Pagoda at Kew, with effect from 1 April 2015. The Chairman felt that the level of uncertainty and risk was slightly higher in the forthcoming year than in previous years. He observed that there had been early indications at the Tower of a slowing in visitor numbers.

4.1.2.2 Strategic Aim 1; Give the Palaces the care they deserve

For the last ten years, we have been reporting our conservation expenditure compared against our original planned spend. This measure indicates that we are on track or will exceed the target in all three areas of building, interiors and gardens. Dawn Austwick asked about assessing the quality of conservation work. John Barnes, Director of Conservation and Learning, reminded Trustees that the decision was taken ten years ago to double expenditure, and since then we have had two more detailed State of the Estate Surveys, measuring the actual condition against a target condition. 90% of our estate is now at target condition. Malcolm Reading noted that we had an advantage over our peers of being able to continue a sustained programme of work. We have also introduced new procurement strategies and Key Performance Indicators. In the future, we can adopt a more sophisticated measure that will feed into the State of the Estate.

Lord Dannatt observed that in the forthcoming year, there would be a large number of building conservation projects and this would have an impact on the visitor. John Barnes agreed; he explained that the team had taken this into account but reached the conclusion that now was the best time to do the work.



4.1.2.3 Strategic Aim 2; Transform the way that visitors explore their story

Louise Wilson asked about the survey data collected to inform improvements in the on-site visitor experience. This is currently collected by Visitor Services and shared between teams. Dan Wolfe, Communications and Development Director, differentiated this from the Customer Analytics data that is to be gathered digitally to inform the Domestic Audiences Strategy. The ambition was to hold and access all data from one system.

Gina George, Retail and Catering Director, explained the work she had initiated to improve on-site visitor catering in partnership with Ampersand, our contractor. It was important that catering was fully integrated into the visitor experience. She was looking at the ambience of the catering areas, quality and consistency of food, as well as addressing capacity issues at the Tower of London. Through such measures, we expect to improve value for money ratings.

The Chairman noted the work to develop prototypes for the digital experience; the Lost Palace of Whitehall. He hoped that this could be connected with the Lost Palace of Westminster.

4.1.2.4 Strategic Aim 3; Have wider impact in the World

The Poppies installation at the Tower had taught us that getting a project right can have a big impact. There were no other projects currently in the pipeline that would be likely to have similar impact. Part of making the most of the Poppies legacy was first to connect with the 100,000+ people who expressed a wish to know more about Historic Royal Palaces. There would be a post-project review on Poppies and there are plans to think about whether there may be something else that might work, but we cannot force it. Dawn Austwick noted that the learning from Poppies is that we need to be ready for the opportunity, but if you try and pre-plan, it could become formulaic.

The Board suggested that there might be an opportunity to mark the centenary of the end of World War One in 1918. The Chief Executive felt that this would depend on public attitude and appetite.

The Board noted the plan to redesign the website. Louise Wilson asked whether the plan was to re-think our brand. Dan Wolfe explained that there were no plans to do this. It was about connecting with the brand better. Liz Cleaver noted that the architecture of the new website would be much more dynamic and personal, and would include the encouragement for users to connect across palaces in ways that were not possible with the current website.

4.1.2.5 Strategic Aim 4; Build one organisation united behind the Cause

The ambition included incremental improvements over time to reach the standard of the Investors in People Gold Award, and also, in the coming year, an increase in both apprentices and interns. The workforce has grown significantly over time to deliver our ambition. Trustees acknowledged the need for the growth but would welcome a graphical analysis of the implications for our cost base.

4.1.2.6 Strategic Aim 5; Generate the money to make it all happen

Louise Wilson felt it would be helpful if there was more consistency in the language used to describe targets across various commercial areas. The final plan will be amended accordingly.



Sir Alan Reid asked whether there should be an increase in the level of free reserves given the growth in the organisation's size. Michael Day explained that the current approach was to strike a balance between a level of free reserves and the specific designations of funding against future projects. The reserves policy will be discussed in further detail at the next Board meeting.

Jane McKeown, Acting Finance Director, explained the reserves movements in the Annual Operating Plan. Michael Day assured the Board that although years 2 and 3 were not balanced at this stage, work would be done to ensure, through various measures, that projects could be funded by the time we reached their start point. This was not unusual at this stage in the cycle. The ambition in the three year plan is affordable if we continue to have good years. If this trend does not continue, then the ambition will need to be modified.

The Board approved the Strategic plan 2015-18 including the Annual Operating Plan 2015/16 as the first year. The Chairman thanked the Directors for their work in putting the plan together. Michael Day explained that he would now be briefing Staff, the Unions and the Department for Culture, Media and Sport and would produce a final version of the plan for Trustees.

4.2. Update on Fundraising

- 4.2.1** The Board noted the contents of this progress report. Dan Wolfe explained the areas of priority, noting, most importantly, the need to find a new Head of Development to replace Chris Martin. The Board discussed the approach to fundraising and agreed the recommendations in the report.

Trustees were asked to talk to Dan Wolfe and Chris Martin outside the meeting about how they might help the Campaign.

Malcolm Reading asked about our fundraising in America. We have been successful in early stage cultivation through a series of events. We now need to build on this.

The Chairman thanked Chris Martin for his update.

5. Projects and Expenditure

5.1 Tower Future Thinking Plan and priority areas

- 5.1.1** The Board noted the contents of the report. Heather Hilburn, Tower Programme Sponsor, gave a short presentation on the results of the stakeholder consultation. One area for further exploration was for the Tower to form part of a Business Improvement District. Jonathan Marsden noted that this had been beneficial for Windsor Castle. Dawn Austwick welcomed the Plan, noting that all projects when articulated as a whole are greater than at first sight. We are probably more ambitious than people might think. She felt the content was right but the vision might be better articulated.

John Barnes agreed. Stakeholders believe that Historic Royal Palaces had more influence on the landscape beyond the walls of the Tower of London than is the reality. From the consultations, we have learnt that we could become a catalyst for partnerships. He felt that we needed to manage our involvement carefully because it could be a lot of work. Work on the areas beyond the walls should not be at the expense of focus on the Tower itself.

Sir Trevor McDonald asked how this fitted with being a World Heritage Site. The plan is full of ambition and will have a positive impact on this status. Malcolm Reading, who also chairs the Tower of London World Heritage Site Consultative



Committee, felt that the feedback and support from stakeholders had been excellent and should enable us now to push hard on the projects planned. He felt it would be useful to map out the infrastructure and risk issues. Lord Dannatt was fully in support of the plan. He felt it had removed the planning blight that had affected individual Tower projects and we should now focus on the arrival experience. Jonathan Marsden felt the success of the Poppies installation had shown that we should make more of the area to the North side of Tower.

The Board approved the plan and suggested that with all the positive feedback from stakeholders, we should set up a mechanism with them to consider what we might do about the surrounding areas of the Tower, especially the North and South. The Board thanked Heather Hilburn for her work.

6. Monitoring Performance

6.1 Chief Executive's Reports for February and March

- 6.1.1** The Board noted the content of the reports. Vacant possession of the Walled Garden at Hillsborough Castle was imminent, and now that planning permission had been granted for the car park, the Development project can now move forward.

Michael Day had also received some helpful amendments to the Partnership Report from Jonathan Marsden, which would be included in a future version.

There was an update in the March report on the Orangery new building at Kensington. When Trustees meet at Kensington this summer, there will be a more detailed briefing and a visit to the site.

Paul Gray reported the latest news about the Jolly Boatman site.

6.2 Financial Performance to the end of February

- 6.2.1** The Board noted the contents of the report. Michael Day explained that for the last three weeks we have seen an unexpected downturn in visitors at the Tower. However, it is too early to conclude whether this is a trend until after Easter.

7. Organisation and Governance

7.1 Special Resolution to change the Royal Charter

- 7.1.2** The Board noted the contents of the paper and the Charity Commission's comments on the proposals. The Board approved the special resolution to change the Charter and agreed that the Chairman and the Chief Executive would sign it on their behalf.

7.2 Variation to Contract with the DCMS

- 7.2.1** The Board noted the contents of the paper and agreed to the variation to the Contract with the Department for Culture, Media and Sport to take on management responsibility for the Great Pagoda at Kew, with effect from 1 April 2015.

7.3 Audit & Risk Committee

- 7.3.1** The Board received the minutes of the committee held on 5 March 2015.



7.3 Remuneration Committee

- 7.3.1 The Board noted the contents of the report on policies and practices on Director' remuneration.

7.4 Nominations Committee

- 7.4.1 The Board received the minutes of the committee held on 6 February 2015. The Chairman reported progress since this meeting. He hoped that the two new Trustees would be announced before the start of the election purdah, but the timetable remained tight.

7.5 De-accession of the replica Rusconni busts and plinths

- 7.5.1 The Board noted the contents of the report and agreed to the recommendation.

7.6 Dates for Trustees' meetings in 2015 and 2016

- 7.6.1 The Board noted the contents of the report. Dates for meetings had now been agreed. However, locations would be confirmed in due course by email. The Trust and Company Secretary confirmed a start time for the meeting on 30 September 2015 of 2. 30pm.

7.7 Register of Interests

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

8. Any Other Business

- 8.1 Louise Wilson asked about the buildings surrounding the square outside the entrance to Hillsborough Castle, and whether any were included in our plans. It was our intention to take on the Fort and Courthouse. Exploratory discussions were being planned with Lisburn Council to see how the Castle might connect with the square, the Town of Hillsborough and the wider landscape. This would inform any future proposals.

- 8.2 The first Tudors on Tour event is taking place at Tatton Park over the first May bank holiday. Trustees would be welcome to attend. Trustees confirmed that they had received invitations.

- 8.3 Charles Mackay is stepping down from the Board after nine years as Chairman. Last evening, the Board had held a dinner in his honour. He made a short speech for the benefit of the management team who had not been present. He noted that while the Board of Trustees had played a strong strategic role, the high performance had been down to the management team. The level of confidence and ambition together with the way the organisation worked together had changed out of all recognition in the nine years. Historic Royal Palaces had become an incredible success and wholly deserves the recognition from the sector and the public generally. The management team thanked Charles Mackay for his Board leadership and significant contribution.

9. Next meeting: Wednesday May 20, 2015 at Kensington Palace

