



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 21st May 2014**

Location: **Kensington Palace**

Attendees: Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman)
Sophie Andreae
Dawn Austwick
Val Gooding
Malcolm Reading
Sir Trevor McDonald
Jonathan Marsden
Louise Wilson

Apologies: Bruce Carnegie-Brown
Liz Cleaver
Lord Dannatt

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director (except item 9)
Paul Gray - Palaces Group Director (except item 9)
Tania Fitzgerald - Finance Director (except item 9)
Alyson Lawton - Trust and Company Secretary (except item 9)

1. **Chairman's comments**
 - 1.1 The Chairman noted the apologies received for this meeting.
2. **Minutes from previous meetings**
 - 2.1 The minutes of the meeting held on Wednesday 19th March 2014 were approved.
3. **Matters arising from previous meetings**
 - 3.1 There were no matters arising.
4. **Strategic Development**
 - 4.1 **The Great Pagoda and Royal Route at Kew**
 - 4.1.1 John Barnes, Conservation and Learning Director gave a presentation on the project to restore and provide public access to the Great Pagoda at Kew.

Trustees were invited to comment on the thinking in advance of preparing a Heritage Lottery Fund (HLF) Stage One application for submission in



Autumn 2014. Work was required to develop detailed principles with the management of the Royal Botanic Gardens at Kew (RBGK) who had requested further time to consider their input into this project. Formal approval from Trustees would be requested later in the year but in advance of the HLF submission.

John Barnes confirmed that evidence had been found of the dragons that used to adorn the Pagoda. He then outlined the other buildings that would have been part of the Royal Tour, noting the four structures that were still in existence. The programme of works was intended to achieve re-opening of the Pagoda in 2017 in advance of the re-opening of Kew's Temperate House. He outlined the provisional costs, what Historic Royal Palaces (HRP) would be taking on; the agreements required between us and RBGK at HLF Stage One; and assumptions on operating principles and costs.

Trustees asked about improvements in the setting of the Pagoda. John Barnes explained that there had been some improvement in the environment and that RBGK were committed to making further changes. Way-finding and learning programmes would also need to be developed in partnership.

The Board confirmed that this was an exciting project that they wished to progress. The Board welcomed the positive working relationship that HRP enjoyed with RBGK.

The Board confirmed that the project should include the reinstatement of the dragons. They then debated the level of overall investment and asked for confirmation, at the investment approval stage, that the project remained affordable within the context of other HRP ambitions. The Board also encouraged greater ambition in the target for development funding.

Trustees felt that the opening of the Pagoda would be beneficial to RBGK as it would increase visitors to Kew.

They also gave their views on HRP's approach to any future involvement with the four other structures in existence included in the Royal Tour.

John Barnes touched on further opportunities arising from the wider historic landscape at Kew. Jonathan Marsden observed that at Kew, it is possible through some of these structures to explore the distinction between how we now view the world compared with how it was viewed in the 18th century. Visitors to Kew Palace had increased fivefold in number last year. This has an impact on both their experience at the Palace and on the historic fabric; he therefore asked whether the team could look again at how we might manage visitors differently.

The Board accepted Malcolm Reading's offer to act as a sounding board for the project team as an alternative to setting up a formal Trustees sub-group.

The Chairman noted for the record that Val Gooding would be joining Kew's board as a Trustee in October 2014.

4.2 Strategic aim 2; Transform the way that visitors explore their story

4.2.1 General update on progress

4.2.1.1 The Board noted the Chief Executive's report which gave a summary of the plans that had already been outlined in the Annual Operating Plan



approved at the March Trustees' Meeting. To transform the visitor experience, any physical changes and customer service improvements were complementary to new programmes, events and exhibitions.

The report also outlined plans to give attention to the quality of group visits to the Tower of London. It was inevitable that some portion of our visitors would always visit in groups but the challenge for us was how to make it as personal as possible, and this is where digital can have a role.

The report also included a summary of the programme of visitor research and evaluation undertaken.

4.2.2 Visitor Survey Data

- 4.2.2.1 David Hingley, Head of Visitor Services at Hampton Court Palace, and Jim Malarkey, Head of Visitor and Commercial Services at the Tower of London, gave a presentation on the visitor feedback programme, one of the elements of visitor research and evaluation.

The Board welcomed the insights that the analysis provided and asked whether it was possible to also understand the impact that knowledge of our charitable status had on the domestic visitors' responses. Val Gooding suggested that digital opportunities could be developed to gather feedback.

- 4.2.3 The Chairman asked whether the new interpretation in the Queen's State Apartments, Kensington had been discussed by the Interpretation Sub-Group. John Barnes explained that this was traditional panel-based interpretation which would not normally fall within the terms of reference of the Group. However, he offered to brief the Group.

Louise Wilson observed that the greater numbers of visitors at the Tower of London could have an impact on the visitor experience and asked whether there might be any plans to accelerate any actions to mitigate this. She also asked whether the two customer services programmes at the Tower and at the Palaces Group might be standardised. David Hingley explained that there were many common elements to both programmes but there were also local differences which made the distinction important.

5. Projects and Expenditure

5.1 The Magic Garden, Hampton Court Palace

- 5.1.1 The Board noted the contents of the report and agreed to the investment at the previously agreed budget of £2.8m excluding VAT, based upon the bulk of the work being tendered, as outlined in the paper, and the remaining work being procured as packages. The work will begin in June. The Board asked about progress in one of the grant applications.

5.2 Base Court Phase VI Brickwork, Hampton Court Palace

- 5.2.1 The Board noted the contents of the report for the final phase of the brickwork conservation in Base Court and approved the investment decision for the conservation works.



6. Monitoring Performance

6.1 Chief Executive's Reviews for April and May

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

Trustees viewed an experimental 3D printed version of one of the terracotta roundels at Hampton Court. Michael Day, Chief Executive, explained that 3D printing could provide new ways in which we could reach audiences beyond the palaces as well as enhance the visitor experience onsite.

There had been a number of special events over the Easter bank holiday weekend to celebrate the launch of the "*Glorious Georges*" Season, especially at Hampton Court Palace, which had been well received. A short film of the weekend was shown. Dawn Austwick noted that she had also seen the short marketing film on the *Glorious Georges* which was being broadcast in selected cinemas. The Chief Executive explained that this was an initiative to encourage new audiences to visit. The Chairman praised the exhibition at Hampton Court.

Michael Day also noted the recent TV programming including the *BBC 4 series the First Georgians; The German Kings Who Made Britain*, presented by Lucy Worsley, with the Royal Collection Trust.

Trustees noted the update on the Poppies Project and endorsed the new approach to charitable donations and cost recovery. The ambition was for third parties to manage the transaction relating to the sale and delivery of the poppies at the end of their installation in the moat at the Tower of London. Discussions are continuing.

Michael Day also briefed the Board on progress at Hillsborough Castle.

6.2 Financial Performance

6.2.1 2013/14 Year end Highlights

6.2.1.1 The Board noted the report. The overall results had been good. The Finance Director, Tania Fitzgerald, explained aspects of the performance in response to detailed questions from the Board. The Board considered that this "highlights" report had been a useful way of presenting the top level information and agreed that the traditional financial performance reporting should continue at each meeting but be supplemented with this format in May and November each year.

6.2.2 Reserves Policy

6.2.2.1 The Board noted the contents of the report. Val Gooding asked about the Pension plan and for an explanation of its risk profile. Tania Fitzgerald explained the current strategy towards investment. It was noted that an interim valuation was due shortly and that this would inform any changes. It was expected that the impact of the valuation would be positive.

The Board approved the continuation of the target free reserve levels of £5.0 million for HRP given the assessment of risks associated with key income and expenditure streams and approved the final year end designations of £19.9 million including carry forward expenditure of £5.0 million.



6.2.3 Performance for the first six weeks of 2014/15

- 6.2.3.1 The Board noted the contents of the report. Michael Day observed that the early weeks of a new financial year are much more difficult to analyse given the changing pattern of Easter, European Holidays and spring weather. However he felt confident that early signals were positive.

7. Organisation and Governance

7.1 Audit Committee held on 12th March 2014

- 7.1.1 The Board received the minutes from the last Audit Committee meeting. A verbal report was given at the May meeting.

7.2 AGM of Historic Royal Palaces Enterprises Limited (HRPE Limited)

- 7.2.1 The Board noted the contents of the report and nominated Paul Gray to represent Historic Royal Palaces' interests at the AGM of HRPE Ltd on 10th June 2014.

7.3 Register of Interests

- 7.3.1 The Board noted the contents of the updated register.

8. Any Other Business

- 8.1 **Trustees' appointments** – The Board were given a brief update. The Department for Culture, Media and Sport had been slow to engage with the process for finding a replacement Chair but had just given their feedback on the timetable and role specification. The Board confirmed the ambition to find a candidate by the end of the Calendar year so that there is sufficient handover before Charles Mackay steps down on 4th May 2015.

A role specification had been also now been drafted for the other trustee vacancy.

- 8.2 John Barnes advised that during this meeting, the purchase of the Thames Ditton Collections Store had completed.

9. Remuneration Committee

- 9.1 Directors withdrew and the Board was briefed by committee members on the deliberations of the Remuneration Committee meeting, which had been held immediately preceding this meeting.

10. Next Trustees meeting:

Monday June 16th 2014 to approve the Annual Review and the Financial Statements.

