



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: **Tuesday 17 November 2015**

Location: **Hampton Court Palace**

Attendees: Rupert Gavin (Chairman)
Sir David Cannadine (by video link from USA from item 8)
Bruce Carnegie-Brown
Liz Cleaver
Lord Dannatt
Val Gooding
Jane Kennedy
Jonathan Marsden
Sir Trevor McDonald
Mike Stevens
Louise Wilson

Apologies: Dawn Austwick

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Richard Harrold - Tower Group Director (until item 11)
Jane McKeown - Acting Finance Director
Alyson Lawton - Trust and Company Secretary
Deborah Shaw - Head of Creative Programming & Interpretation (item 11 only)

1. **Chairman's comments**

- 1.1 The Chairman noted the apologies received from Dawn Austwick and noted that Sir David Cannadine would be joining the meeting in due course using a conference link from the US.

He also outlined the main agenda items in the meeting and noted that the papers included a range of responses to Trustees' previous requests including; a project status report and an acronym schedule.

There were no conflicts of interests declared.

2. **Minutes of the last meeting**

- 2.1 The minutes for the meeting held on Thursday 1st October 2015 were approved.

3. **Matters Arising**

- 3.1 The Board noted the contents of the Acting Finance Director's report on proposals received for FLEA (Fire, Lightening, Explosion and Aircraft) insurance of the key risk to buildings. Noting the recent correspondence with the Department for Culture, Media and Sport, and having given their views, the Board agreed to the recommendation in



the report to take out cover for a three year term, subject to satisfactory terms and conditions being received.

4. Monitoring Performance

4.1 Chief Executive's written reviews for October and November

4.1.1 The Board noted the contents of the reports. Michael Day drew attention to:

- Recent developments relating to the Great Pagoda at Kew.
- A forthcoming tribunal appeal on Freedom of Information / Environmental Information regulations.
- The headlines from the Executive Board's strategic planning sessions.
- Progress towards meeting planning conditions attached to the proposal for a car park at Hillsborough Castle.
- The animated film *Royal Rascals and us; 500 years of Hampton Court* given its premiere to visitors during autumn half term and which would be shown to Trustees after the meeting.
- The responses to previous Trustees requests including; updates on tenancies at Hampton Court; Digital progress; progress on major projects.

Bruce Carnegie-Brown asked for more information on recent significant archeological finds at Hampton Court Palace. John Barnes, Conservation and Learning Director, will circulate a plan.

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.

5. Sub Committees

5.1 Audit & Risk Committee

5.1.1 Due to the absence of Dawn Austwick, Chairman of this Committee, the report back from the Committee held on 8 October, was postponed until the January meeting.

5.2 Remuneration Committee

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

5.3 Investment Committee

5.3.1 The Chairman briefed the Board on matters discussed at the meeting held on 10 November.

6. Financial Performance and Half-Year Forecast

6.1 The Board noted Jane McKeown's report on performance to the end of October and the half-year forecast. Visitor numbers had shown a slight improvement in October. She also explained that the actual rate of operating and project expenditure was much slower than the budgeted rate. This had been reflected in the forecast. However, it is anticipated that the spend rate will remain at budget for the remainder of the year. The Finance team had questioned teams' ability to spend at this rate. It will be tested again during next year's budget setting process in the spring. She then outlined the impact of the revised forecast on the reserves.



Using Information Systems (IS) and Projects expenditure as examples, Mike Stevens asked whether under-spending against the 2015/16 budgets could perpetuate into next year's budget setting and therefore create additional contingency resulting in lost opportunities. He was also concerned that projects or objectives were not being delivered. Michael Day assured him that this was not the case. John Barnes also explained that there were no common reasons for under-expenditure. However, our new planning review to 2025 would ensure that we were more realistic with our resources.

Louise Wilson asked about the under-spend on payroll for the Digital team. Graham Josephs explained that consultants had been used where it had not been possible to recruit into key positions. Some of the IS projects were underspent because staff were not in post.

The Board approved the forecast.

7. Security

7.1 Following the tragic incidents in Paris at the weekend, Michael Day briefed the Board on the security approach at the palaces.

The Board asked about the Tower of London. Both the Constable of the Tower of London, Lord Dannatt, and Richard Harrold, Tower Group Director, explained challenges both in the short term and medium to long term. It was noted that a major security practice and rehearsal was planned with all relevant agencies participating during January.

Jane Kennedy asked whether we had seen any impact on visitor numbers. Michael Day explained that there was a drop off at the weekend but also noted that the bad weather and the Lord Mayor's show on Saturday would have had an impact. Mike Stevens asked about staff morale. Richard Harrold reported on the mood at the Tower; staff felt very sad about the events in Paris.

8. Strategic Planning

8.1 The Board agreed the record of conclusions from their Strategic Session on 30 September 2015.

8.2 The Board noted the first draft Statement of Intent to 2025. In its final state, this would form a key part of the revised Strategic Plan 2016/2019 as a means of charting long-term progress.

The Board discussed the current wording for the five broad strategic aims and debated an amendment to "Have impact in the wider world". However, noting the benefit gained from the current widespread understanding of the existing phrase, the Board agreed that it should be retained for the time being.

The Board then discussed the goals that formed the Statement of Intent to 2025 under each strategic aim. The Chief Executive noted that the Statement of Intent was a combination of measurable goals and qualitative goals. The paper set out the ones that were already clear and also some still in development. He invited comments.

Liz Cleaver and Louise Wilson both felt that the goals for "Transform the way that visitors explore their story" should reflect a more holistic approach to customers, including recognition that digital was not separate but integral to a joined up customer experience. The Chief Executive invited them to suggest how this might be expressed. There was also an ambition for customer transactions to be converted into deeper engagement and ongoing relationships. Bruce Carnegie-Brown felt this was currently underplayed.



The Board then gave their views on the two last goals set out in “Have wider impact in the world”. Both of these were still in development. The Chief Executive noted their comments, which would inform the final wording.

Mike Stevens suggested a change to the wording for the goal on financial reserves.

The Chairman summarised the actions from the discussions, thanking Michael Day for a good document and noted further papers would be coming to Trustees’ meetings to reflect the areas yet to be resolved.

9. The Annual People Report

- 9.1 The Board noted the contents of the paper. Graham Josephs, Human Resources Director, outlined the conclusions; our staff management and development practices remain in good shape but as always there remain areas for improvement and opportunities. He invited Trustees’ comments.

Trustees asked about the gender pay challenge; themes in sickness absence; the challenges of attracting the right people, given that five palaces are located in London, and the changing nature of our operating environment. Graham Josephs explained that generally we attract the people we need, except in some areas such as digital which is a challenge for most organisations.

Graham Josephs had reported some good progress from the results in the staff survey. Val Gooding asked for further explanation of the staff engagement scores. Graham Josephs explained the component questions in more detail but reassured Trustees that the overall result at 69% was high and was just above the average of high performing organisations.

Graham Josephs confirmed that he had no great concerns but that there were always areas for improvement. The Board thanked Graham for his update.

10. Hillsborough Courthouse and Fort

- 10.1 The Board noted the contents of the paper, gave their views, and agreed to proceed, subject to a review in the Spring.

11. Creative Programming and Interpretation update

- 11.1 The Board noted the contents of the report. Deborah Shaw reported good progress. Statistical scores collected from the Hampton Court Palace visitor summer survey showed improvements in atmosphere, participation and emotional engagement. She was pleased to report that the percentage of visitors likely to recommend a visit was now 89%, the highest for the last 4 years. Lessons learnt in creative programming for Hampton Court Palace are now informing programming at the other palaces.

The Board noted the plan for the next three years. Deborah Shaw explained how plans for using the Moat at the Tower were developing. These could include cultural events but would always be related back to the history of the Tower.

Lord Dannatt noted that the Royal Armouries could be helpful in achieving some of these plans. Deborah Shaw confirmed that we work with them on relevant projects.

David Cannadine asked whether the Torture exhibition planned in 2018 would take on the contemporary perspective. He also commended the team for learning from failures as well as successes.



Louise Wilson was pleased to see the longer planning horizon and encouraged a holistic approach to visitors. She stressed that cross-organization working was crucial and needed to be even more integrated. Marketing, Learning & Engagement and Creative Programming should work together to deliver a successful and seamless visitor experience avoiding programming conflicts. John Barnes agreed, noting that both Learning & Engagement and Creative Programming teams have their own distinctive areas of programming but to the customer, it should be one programme.

Liz Cleaver expressed a need to be clearer on content. She was unsure how we judge success. Her advice was to relate everything back to the customer, which forced a more joined up approach and avoided similar events programmed on different weekends.

Jane Kennedy asked about plans for Kew. John Barnes reminded Trustees that there was a major project programme that was not reflected in this paper but sat alongside it. He explained the plans for Kew, and also the plans for Hillsborough for the next few years before the development project is completed.

Mike Stevens asked Deborah Shaw about the challenge in the Statement of Intent of delivering the next generation of distinctiveness whilst operating within our means.

Rupert Gavin concluded the discussion, and particularly emphasized the objective in the document to achieve consistency of presentation throughout each palace as he felt this is often lacking. He asked Deborah to congratulate all her team on their work.

12. Procedural Matters

12.1 Sub Committee appointments

The Board agreed to appoint Mike Stevens to both the Nominations Committee and the Investment Committee.

12.2 Register of Interests

The Board noted the changes to the register of interests.

13 Any Other Business

13.1 Sir David Cannadine noted that he had joined Historic Royal Palaces' Research Strategy Board.

13.2 The Chairman outlined the process he intended to follow for the 2015/16 Board Effectiveness Review. A series of one to one meetings with Trustees would be organised in the Spring with a full report at the May Trustees meeting.

14. Next meeting: Trustees Meeting on Wednesday 20 January 2016 at Kensington Palace

