



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: **Thursday 1 December 2016**

Location: **The Courtyard Room, Kensington Palace**

Attendees: Rupert Gavin (Chairman)
Sir David Cannadine (Deputy Chairman)
Zeinab Badawi
Bruce Carnegie-Brown
Ajay Chowdhury
Liz Cleaver
General Sir Nicholas Houghton
Jane Kennedy
Jonathan Marsden
Carole Souter
Louise Wilson

Apologies: Mike Stevens

In attendance: Michael Day - Chief Executive
John Barnes - Conservation & Learning Director
Sue Hall - Finance Director
Graham Josephs - Human Resources Director
Rachael Gilleard - Head of Governance
Sebastian Edwards, Alden Gregory, Wendy Hitchmough, Eleri Lyn, Lucy Worsley (item 5)

1. Opening business

- 1.1 The Chairman welcomed Trustees to the meeting. Apologies were received from Mike Stevens.
- 1.2 No conflicts of interest were declared.
- 1.3. By written communication in advance of the meeting, Mike Stevens requested an addition to the minutes of the meeting of 29th September, as follows: 'Mike Stevens also reminded Trustees that all Trustees are welcome to attend a meeting of the ARC if there is subject matter being considered in which they are interested'.
- 1.4 Actions arising from the last meeting were reviewed:
 - John Barnes is in discussion with Deborah Shaw about commissioning a work by a Chinese artist for installation in the Kew Pagoda.
 - The 'ladder of giving' proposal for the dragons on the Kew Pagoda has been agreed by the Campaign Board and will be circulated to Trustees in the next CEO report.
 - Minutes of the KP Orangery sub-group were sent to Jane Kennedy.
 - A further paper on the London Living Wage will be brought to Trustees in May 2017.

Note that paragraph numbering aligns to the agenda.



- Revised Terms of Reference for the Audit and Risk Committee have been agreed and will be brought to the Board of Trustees in February 2017.
- An explanation of HRP's response to the requirements of The Modern Slavery Act 2015 is contained within the November CEO report.

2. Strategic planning session – summary of conclusions

Michael Day explained the planning process that the Executive Board had undertaken, following Trustees' strategic discussions in September.

In response to various questions, Directors explained that the major projects list represented only part of the total expenditure on projects and programmes; costs of other pan-organisational programmes such as digital, learning and interpretation are captured separately and will be shown to Trustees in the next iteration of the AOP. Further, the cost shown on the major projects list is anticipated future expenditure, as this document is used for forward planning purposes.

The Board was asked to note the Statement of Intent to 2025 (SOI), which now reflects the Executive's view of progress towards the goals. Jane Kennedy asked whether the Banqueting House was 'amber' because of the delay to the programme and John Barnes confirmed this to be the case. VES II was noted as being 'amber' because of a delay to the programme and reliance on a third party supplier, although this is expected to be resolved. Carole Souter observed that some of the goals will, by design, never be absolutely achieved, although the supporting measures will be, and this detail provides useful information. Zeinab Badawi queried whether the SOI adequately reflected the fact that HRP is a charity with fundraising aspirations. In response, Michael Day explained that the goals include donations to Campaign II and the Chairman noted that the goal around driving up secondary income reflects that fact that HRP cannot survive on admissions income alone.

Via previous communication with the Chairman, Mike Stevens asked whether the assessment that 95% of the built assets are in target condition might be optimistic. John Barnes explained that the State of the Estate (on which the assessment is based) omits interiors and services and does not distinguish between different built elements of the estate by size. It is the best measure that we have and has been tested in the past through a cross-sector assessment of the governance of conservation work undertaken with other heritage organisations. Further details of the assessment and the process will be given to Mike Stevens.

Trustees were asked to reflect following the meeting and provide any assessment of progress to Rachael Gilleard that differs from the Executive Board's summary assessment contained in the paper.

3. Monitoring Performance

3.1 Chief Executive's monthly reports

Michael Day drew Trustees' attention to two items from the October report: firstly, to record the successful Installation of the Constable at the Tower of London and that HRP's on-line streaming of the event attracted 400,000 viewers; secondly, to note that DCMS has agreed to renew its guarantee to underwrite HRP's £4m overdraft facility with Barclays Bank. This will be effective for five years.

From the November report he highlighted:

- The proposed HRP/ University partnership for a postgraduate programme, further details of which will be provided to Trustees in February. Zeinab Badawi asked for



careful consideration of the title of the course, in order to ensure that it has the correct connotation. Michael Day explained that Universities operate a rigorous testing process for course titling, and that Trustees' comments would be considered. Louise Wilson applauded the progress of the initiative.

- The positive reference to HRP's investment at Hillsborough Castle during a recent EU Committee meeting.
- The extensive and positive media coverage of HRP's plans for *Diana: Her Fashion Story* and the plans for the Sunken Garden at Kensington Palace in 2017.

Commenting on financial performance, Ajay Chowdhury noted the large increase in visitor numbers at Hampton Court Palace in comparison to last year. Michael Day explained that this was due to the inclusion of visitors to the Magic Garden. Jane Kennedy queried why Banqueting House, Whitehall visitor numbers had dropped. The reasons are not clear cut but it is possible that last year's closure affected performance.

3.2 Report on financial performance to the end of October

The Board noted the report.

Bruce Carnegie-Brown asked whether there was anything that HRP could learn from the National Trust model of membership, although it was noted that this was significantly different to HRP. Ajay Chowdhury queried how Hampton Court's year-to-date figures differed from last year's.

3.3 Key events for Trustees' diaries

In addition to the events reported in the paper, Michael Day drew Trustees' attention to a new television series - *Six Wives with Lucy Worsley* - which will be shown on BBC One on 7th, 14th and 21st December and the UK opening of *Enlightened Princesses* on 20th June 2017 at Kensington Palace. Louise Wilson offered her support to the US opening of the exhibition. It was also noted that the Time Explorers app had won gold at the International Technology Awards.

4. Q2 forecast

The Board noted the report.

Bruce Carnegie-Brown queried how much of the movement in major projects expenditure is due to natural slippage or active management. John Barnes explained that the work to the King's Sate Apartments at Kensington Palace had been actively managed at Q1 and that much of the movement was due to slippage of the start date for the Hillsborough car park because of planning delays beyond our control. A further review of movement in project expenditure will be undertaken at Q3. Trustees asked questions to clarify the current financial position; this will be made clearer in future reports.

5. Curators' update

Members of the Curators team presented their work to Trustees. The accompanying report was noted. Trustees applauded the work of the team and praised the report. The following points were made:

Zeinab Badawi asked how Curators are dealing with the goal to reach new and broader audiences. Curators take their direction from HRP's overall future plans, which do address this goal. Further, Curators' activity on, for example, HRP's website, social media and television is responding to this goal.



Bruce Carnegie-Brown noted the need to align our research work with planning for Campaign III.

Trustees recognised that much of the intellectual capital of HRP is in the work of the Curators' team. This is easier to maintain by employing established staff but needs to be balanced with cost considerations. Other opportunities for early-career researchers have been created through the Curators' internship scheme and there may be an opportunity for a wider discussion in the sector.

7. Annual People Report

Graham Josephs summarised the key findings of the accompanying report. The Board noted the report and that it painted a positive picture of HRP's current position.

The following comments were made:

Zeinab Badawi asked about the distribution of roles for BAME staff.

Liz Cleaver noted the difficulty in keeping up with changing skills requirements. Michael Day responded that HRP's needs are constantly assessed; for example, we are currently undertaking a review of the balance of resources required to support digital work.

Carole Souter was encouraged by the staff turnover figures and Graham Josephs confirmed that this is, in part, due to our strong employer brand.

Jonathan Marsden queried whether HRP would look at the *Great Place To Work* survey as a means of evaluation. Graham Josephs noted that both *Investors in People* and *Great Place to Work* make extensive use of staff surveys. Jonathan Marsden also queried whether staff feel that managing poor performance has improved over time.

Sir Nick Houghton queried whether there was an external mechanism to support career development in the sector. Michael Day noted that there was no sector-wide initiative but HRP operates a system of internal secondments and other career development opportunities.

On the question of the forthcoming Apprenticeship Levy, HRP is awaiting guidance from DCMS as to whether the organisation will be caught by the public sector quota system.

8. Kensington Palace Orangery

John Barnes explained that the paper set out an update on the progress of the project and an explanation of how HRP plans to proceed. He further explained that, in coming to the current proposals, HRP had investigated the option to use accommodation in the Kensington area, but that this was not practicable for staff who need to be on-site to fulfill their roles. The Board noted the paper.

9. Long term succession plan

The Board noted the plan, with one amendment – to rephrase the term 'target' as 'threshold'.

The Board congratulated Liz Cleaver on her appointment as Trustee of the Imperial War Museum.

10. RHS Flower Show

The Board noted the paper.



11. Subcommittees

The Board noted the verbal update from the Chair of the Remuneration Committee.

12. Procedural matters

12.1 Investment decision for Kew Pagoda

John Barnes explained the background to the investment decision, which is also detailed in a previous paper – attached with the minutes. The Board approved the paper.

12.2 Disposal of de-accession items

The Board approved the paper.

12.3 Changes to the register of interests

Recent changes to the register were noted. Louise Wilson, Carole Souter and Zeinab Badawi will provide Rachael Gilleard with changes to be registered.

13. Any other business

None.

14. Trustees' private session

Trustees withdrew for a private discussion.

Next meeting: 9.30 am, 1 February 2017, Hampton Court Palace

