



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 24 January 2018**

Location: **Apt 39, Hampton Court Palace**

Attendees: Rupert Gavin (Chairman)
Ajay Chowdhury
Lord Houghton
Jane Kennedy
Sue Wilkinson
Louise Wilson

By phone: Professor Sir David Cannadine (Deputy Chairman)
Carole Souter

In attendance: John Barnes, Graham Josephs, Tom O’Leary,
Adrian Phillips, Dan Wolfe, Rachael Gilleard
Caroline Rand (for Sue Hall)

Apologies: Zeinab Badawi
Bruce Carnegie-Brown
Sir Michael Stevens

1. Opening business

- 1.1 The Chairman welcomed Trustees to the meeting.
- 1.2 Apologies were noted from Zeinab Badawi, Bruce Carnegie-Brown and Sir Michael Stevens.
- 1.3 Jane Kennedy reminded the Board that she is a Senior Partner of Purcell. Purcell has been selected as the architect for the build of the Orangery Wing at Kensington Palace.
- 1.4 The minutes of the last meeting were reviewed and an amendment agreed regarding the pattern of Trustees’ meetings. Trustees were delighted to note that Sir David Cannadine and Jane Kennedy had been re-appointed as Trustees for a further term. The action to seek assurance from third parties hosting HRP data is progressing and we have received satisfactory assurances on security of their processes and systems from our major providers. The exercise continues, but no issues are expected.



2. Monitoring Performance

2.1 *Chief Executive's report*

Trustees noted the report on the Perkin Reveller and agreed the arrangements for finalising the contract.

John Barnes drew attention to the events planned for the Tower moat this year, including East Wall – a collaboration with Hofesh Shecter – and a commemoration of the 1918 Armistice. In Lord Houghton's view, the event needed to produce closure on the four-year remembrance period and must not disappoint the public expectation created by *Poppies*. Trustees agreed that a decision-point was soon approaching when a definitive plan must be decided upon in order to proceed successfully.

The Report on projects was noted.

2.2 *Financial reports*

Trustees noted the financial reports. £10.3m net surplus is currently predicted, £3.3m better than forecast. This is due primarily to lower operational expenditure and delays in project expenditure that will be carried forward, but some savings will be banked at year end.

The Chairman and Louise Wilson noted that gift aid was underperforming and asked that a review of how we improve performance be conducted. This was agreed.

3. Strategic Planning

3.1 Trustees noted the report. John Barnes explained that the team was still working on the operational plan for Hillsborough Castle, and finding it difficult to achieve financial break even, as per the original plan. The final plan will be brought back to Trustees.

Trustees also noted the proposed structure of the Public Engagement team, and were supportive of the principle of simplification, noting that there may be staff changes as the team evolves. Louise Wilson encouraged the use of new, clear, language to articulate teams' roles.

Ajay Chowdhury questioned how the Public Engagement and Communications & Development teams interface with regard to social media. Dan Wolfe explained that teams have a formal structure for forward-planning, and have done lots of work to improve collaboration, but would look at the good idea of joint meetings/ calls.

Sir David Cannadine noted the reference to pressure of work being felt in the organisation. Graham Josephs explained that this incidence was slightly higher than the comparable Hay



norm group, not related to the current pension consultation, and was consistent across the whole organisation. This is an area of focus for the Executive Board.

4. Strategic Planning – a big moment every year

- 4.1 Trustees noted the report. The Chairman encouraged the organisation to think of more than one big moment per year across the palaces. Sue Wilkinson noted that, where HRP aims for ‘distinctiveness’, this should not be measured just by reach and income, but HRP needs to define what this means and how it can be effectively measured.

5. Public Programme

- 5.1 Trustees noted the report. Louise Wilson commented that the programme was very full, and that it should not dilute the big moments. It would also help understanding if the programme could be ordered by audience. With regard to promotion, Dan Wolfe explained that the teams had worked very closely to develop collectively agreed priorities for the year, and a complementary package of communications.

6. Financial assumptions

- 6.1 Trustees noted that the visitor and income assumptions in the paper would be subject to change, as would some of the project costs. Specific comments were:

Louise Wilson queried the lack of inflation in marketing spend. She also noted the need to keep a watch on pay cost.

Lord Houghton commented that the plan did not represent a significant change from the current course; if the papers were a response to the strategy away day, they did not highlight what is changing. John Barnes explained that the papers did contain elements from the strategy day but were mainly aimed at agreeing key assumptions for the AOP. Other elements will be integrated over time and the final strategic plan will show where and how new elements had been introduced. Lord Houghton also asked if the Executive had considered whether there were any external factors that should be guarded against and queried whether the Executive had evaluated whether there was a need to diversify the core operational model, and what income-generating opportunities had been considered.

Carole Souter noted the pay cost assumption and how there might be pressure on this.



Ajay Chowdhury asked whether allowance had been made to take forward new ideas such as *seamless and distinctive*, which it had.

Trustees agreed the financial assumptions as the basis for compiling the AOP.

7. Pension arrangements

7.1 Trustees noted the update on the pension scheme consultation.

8. Hampton Court Palace Flower Show

8.1 Trustees noted the report, which confirmed that a variation to the contract with the Royal Horticultural Society had been agreed, providing improved terms to Historic Royal Palaces.

9. Art at the Palace, Hampton Court Palace

9.1 Noting the report, Trustees supported the principle of keeping *The Triumphs of Caesar* by Andrea Mantegna at Hampton Court Palace. The paintings were brought to the Palace in 1630, and have been housed here ever since. Trustees recognised the importance of maintaining this continuity, and that the paintings should continue to be located, and cared for, at the Palace.

10. Subcommittees

Audit and Risk Committee

Carole Souter gave a verbal briefing from the Audit and Risk Committee. The Committee discussed: major projects, cyber security, National Audit Office planning, the corporate risk register, future risk management presentations and the Internal Audit Strategy Plan 2018/19.

Investment Committee

Trustees noted the minutes of the Investment Committee.

11. Procedural matters

De-accession and disposal of collection items

Trustees approved the recommendation to dispose of a Burmese table, two Burmese sofas and a plastic resin boar.

Register of Interests

Changes to the Register of Interests were noted.



- 11.3 *Re-authorisation of contract with SoS*
The progress of the re-authorisation was noted.
12. **Any other business**
 - 12.1 The Chairman explained that the meeting dates for 2019 were being reviewed. He also told the Board that an external Board effectiveness review is being considered for this year, after re-authorisation of the contract is confirmed, and would be conducted in April/May.
13. **The next meeting will be on 21 March 2018 at the Tower of London. An informal evening for Trustees will be held on 20 March.**

