



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 July 2018**
Location: **Privy Council Chamber, Hillsborough Castle**

Attendees: Rupert Gavin (Chairman)
Zeinab Badawi
Bruce Carnegie-Brown
Ajay Chowdhury
Lord Houghton
Jane Kennedy
Tim Knox (by phone)
Carole Souter
Sir Michael Stevens
Sue Wilkinson
Louise Wilson

In attendance: John Barnes, Sue Hall, Richard Harrold (items 1-3), Adrian Phillips, Dan Wolfe, Rachael Gilleard, Patricia Corbett (items 1-3)

Apologies: Professor Sir David Cannadine (Deputy Chairman)

1. Opening business

- 1.1 The Chairman welcomed Trustees to the meeting, noting that some of the Board had been on a site visit to inspect works to the Castle and grounds yesterday, and some would be doing so after the meeting.
- 1.2 Apologies were noted from Sir David Cannadine.
- 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. Tim Knox is the partner of Todd Longstaffe-Gowan. Todd Longstaffe-Gowan Ltd provides landscape design services for HRP.
- 1.4 The minutes of the last meeting were reviewed and agreed.



2. Monitoring performance

2.1 *Chief Executive's report*

Referring to the last Chief Executive's monthly report, Trustees discussed the progress and status of the 1918 commemoration event. Trustees concluded that they needed the opportunity to discuss the project when testing was complete and risks were mitigated as far as possible within the available timeframe. Also, if possible, to see a part of the installation in situ.

John Barnes drew Trustees' attention to the tendering process for the Hillsborough catering contract. A preferred supplier has been selected and negotiations are in progress. Trustees noted that none of the suppliers had elected to make a capital investment, but the preferred supplier had indicated that they will be unlikely to require the level of specification currently assumed, and this may result in a capital cost saving.

The RIDDOR report was noted.

Lord Houghton and Sir Michael Stevens questioned the apparent lack of interpretation signage on hoardings around building works. Adrian Phillips explained that typically interpretation signage is used, but teams will be reminded to include it.

Louise Wilson congratulated the organisation on two successful events – the RHS Flower Show, including HRP's commemorative garden, and the BBC 500 words event at Hampton Court Palace. Dan Wolfe confirmed that discussions were underway on a venue for next year.

Tim Knox asked about the appearance of the Orangery Pavilion and John Barnes explained that more signage and dressing will be installed and that the future works to the Orangery building will have interpretation signage.

Ajay Chowdhury congratulated the organisation on the Royal opening of Kew Pagoda.

Jane Kennedy noted the report on Banqueting House, Whitehall and asked about the conservation approach. This will be discussed at the Trustees' strategy meeting in September.

2.2 *Financial management report*

Trustees agreed that it was too early to respond to the decrease in visitor numbers. The overall net position at present is positive in comparison to budget. Some of the expenditure will be caught up in year but other reductions will be banked



(e.g. payroll). Sir Michael Stevens queried whether the additional headcount requested in the operating plan was still necessary. Sue Hall explained that there were reasons for the gaps: reduction in seasonal recruitment as a result of visitor numbers; genuine gaps that need to be filled and where staff are covering. The Executive Board will review the current financial position in early August. Any proposals for change requiring Trustees' approval will be brought to them in September.

3. Hillsborough Castle

3.1 Trustees reflected on their site visit the previous day, and capital and operational readiness reports.

Adrian Phillips explained that the additional contingency sum was almost used. A schedule of expected further costs is being prepared, including expected overage on final tender packages, additional requirements and items that had been value engineered out but it was now evident would be required. This will be discussed with Trustees in September.

The programme has been reset and weekly/ fortnightly and monthly meetings arranged within the project governance structure. Adrian Phillips reported that F3, the project manager, is working hard to get the best value from every package.

Jane Kennedy stated that she remains concerned about the programme and expenditure. In her view extra monitoring is rapidly required to improve project management control. Once the project is complete HRP should undertake a review of the contract and how it was run, to implement lessons learned.

Bruce Carnegie-Brown questioned whether the opening deadline was absolute and whether decisions being made now to contain cost would ultimately lead to spending more money in the future. Adrian Phillips explained that the value engineering exercise was undertaken before work commenced so there is no compromise on the quality of work being undertaken now. John Barnes stated that retaining the opening date was very important.

The project risk register will be made available to the Audit and Risk Committee.

3.2 Richard Harrold informed the Board that there was still much to do to prepare for the operation of the full site but the team is aware of what is required and is working through it the actions required.



In answer to a question from Bruce Carnegie-Brown he confirmed that he is confident the point of sale system currently being used will have the capacity to deal with future visitor numbers. In terms of transportation, the plan remains to charge for use of the car park and we will be working with bus companies on access for public transport. Having completed the house interpretation, attention is now focussed on the gardens. The principles of a marketing plan will be presented to Trustees in September.

4. Giving the palaces the care they deserve

- 4.1 Trustees noted the report, the purpose of which was to update them on progress in the care of the buildings, interiors and collections and gardens and estates.

Sir Michael Stevens questioned why the next cyclical estate survey will be partial. Adrian Phillips explained that the teams constantly reviewed the condition of the estate; a lot is already in very good condition and it is considered better value to look at areas where attention is required. Mechanical and electrical surveys are being done this year. John Barnes suggested that it would be beneficial for Trustees to know what is the mechanism to prioritise works and how they can reassure themselves that the palaces are being appropriately cared for. Sir Michael Stevens said that the Audit and Risk Committee will want assurance that regular inspections are happening and that condition records are up to date. The Chairman suggested a strategic re-appraisal of how HRP monitors its conservation work.

Reflecting on the site visit, Zeinab Badawi noted that part of the walled garden had been poorly repaired (previously, by a different organisation). John Barnes explained that this will be rebuilt in conjunction with The Prince's Foundation.

Trustees noted the paper's comment that a future challenge will be ensuring that the palaces have adequately trained gardening staff. This is also the case for other specialist conservation skills. The actions that HRP is taking to address recruiting the right talent will be explained in the next annual people report.

Overall, Trustees agreed that the volume and quality of work was impressive and that HRP is in a great position with regard to the care of the palaces, which is a good basis for future planning.



5. HRP Inc

- 5.1 Trustees received a report updating them on a new strategy for HRP's US fundraising activities. Dan Wolfe explained that the Directors of HRP Inc want to put it on a more active footing, and increase its contribution to HRP.

Zeinab Badawi questioned the cost effectiveness of touring exhibitions. Dan Wolfe explained that this is work in progress; it is expensive, but could work in partnership with others or with philanthropic donation.

The Chairman asked for further explanation of the proposition, so that it is very clear what HRP is offering to prospective supporters. Louise Wilson commented that the proposals were in the right direction but it should be recognised that HRP Inc. activities will affect HRP, and it should have appropriate oversight of HRP Inc. Tim Knox and Sir Michael Stevens agreed, emphasising the importance of being clear about the distinction between HRP and The Royal Household.

Ajay Chowdhury asked how the Directors were chosen. The current Directors were elected by their peers. In the future, specific skills will be identified and recruited for. A nominations committee will ensure due diligence in the recruitment process.

Trustees questioned why none of their number were on the Board of HRP Inc. The legal and tax position on this is to be verified.

Further explanation of tax and legal position of Trustees in relation to HRP Inc. and its objectives, remit and governance will be provided.

6. Cause

- 6.1 John Barnes explained to Trustees the progress on evolving the cause and strategic framework. Sue Wilkinson and Ajay Chowdhury, who have been part of an expert panel consulted during the process, explained that the session had been stimulating and challenging. Ajay Chowdhury urged that the team seek input from the public, as the cause is ultimately for them. This is being done over the summer. John Barnes offered Trustees the opportunity for individual discussions with him before the cause was presented to the Board in September.



7. Operating Plan timetable and Trustees' strategy meeting in September

- 7.1 John Barnes introduced the new Operating Plan timetable. At the strategy meeting in September Trustees will be asked for direction on the priorities, so that the Executive Board can produce a first draft of the Operating Plan during their away days in October. The strategy session will also include a review/ confirmation of the operating context, discussion on the priorities and the cause. The final Operating Plan will be presented to Trustees for approval in January.

8. Kensington Palace Orangery

- 8.1 *Jane Kennedy's conflict of interest was noted and she did not take part in the discussion.*

Trustees received a request to approve the investment decision for the first phase of the Orangery New Build project. The total project will cost £12.38m plus VAT, the phase of work for which approval is currently sought is £3.87m plus VAT.

Trustees approved the request, and agreed that the project should move ahead as swiftly as possible. The Chairman asked that in future all project costs include VAT and that contingency is treated and shown consistently.

9. Extension of live interpretation contract

- 9.1 Trustees received a request to approve an extension of the contract with Past Pleasures Ltd to March 2021.

Zeinab Badawi asked if there was any plan to bring this work in house. John Barnes explained that this option had been previously considered and rejected, but that there were other options available, including HRP running its own live interpretation business.

Trustees noted the contribution of the founding Director to the existing business, and the risk associated with him leaving in the future. The team is planning a small working group to consider the future of the service. At Trustees' request, this risk will be monitored through the risk register.

The request was approved.

10. Risk register

- 10.1 The risk register was noted.

11. Any other business



- 11.1 The Chairman announced that, with regret and due to other work commitments, Professor Sir David Cannadine would be stepping down as a Trustee. His last meeting will be in January 2019. Trustees agreed that the Board required a historian, and his replacement should have this expertise.

Next meeting: 27 and 28 September, the Tower of London.

