



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 21 November 2018**  
Location: **New Armouries Meeting Suite, Tower of London**

Attendees: Rupert Gavin (Chairman)  
Bruce Carnegie-Brown  
Ajay Chowdhury  
Lord Houghton  
Jane Kennedy  
Tim Knox  
Sir Michael Stevens  
Sue Wilkinson

In attendance: Nicola Andrews, John Barnes, Rachael Gilleard, Sue Hall, Richard Harrold (items 6, 7), Graham Josephs, Tom O'Leary, Adrian Phillips, Dan Wolfe, Liz Young (item 4), Aileen Pierce (item 6).

Apologies: Zeinab Badawi, Professor Sir David Cannadine (Deputy Chairman), Carole Souter, Louise Wilson

1. **Opening business**
  - 1.1 The Chairman welcomed Trustees to the meeting.
  - 1.2 Apologies were noted from Zeinab Badawi, Sir David Cannadine, Carole Souter and Louise Wilson.
  - 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 building at Kensington Palace. It was also noted that Tim Knox is partner of Todd Longstaffe-Gowan and Secretary of Todd Longstaffe-Gowan Ltd, which provides landscape design services for HRP.
  - 1.4 Trustees passed on their heartfelt condolences to the family and friends of Jonathan Treleaven, who tragically lost his life whilst on duty at Hampton Court Palace. Trustees also wished to record their thanks to staff for dealing with the matter in such a sensitive way.
  - 1.5 The minutes of the last meeting were reviewed and agreed, with a minor amendment to the recording of Tim Knox's interests.



## 2. Monitoring performance

### 2.1 *Chief Executive's report*

Jane Kennedy asked about the results of the pilot session for families who care for children with Autism Spectrum Disorder. John Barnes reported that the session had gone well and he has asked the team to consider whether a similar calm atmosphere could be provided in the palaces.

John Barnes reported that the full evaluation from the East Wall project will inform future moat event planning. The report is available to Trustees. Sue Wilkinson asked that in future projects teams articulate the desired legacy at the outset, and that achievement of this is measured.

John Barnes alerted Trustees to recent planning applications for tall buildings in the vicinity of the Tower of London, which is a World Heritage Site (WHS). HRP has consistently opposed developments in the setting of the Tower that would compromise its WHS status.

Adrian Phillips confirmed that regular liaison meetings have taken place with the Surveyor of the Queen's Works of Art in respect of the conservation of Queen Caroline's State Bed.

Tom O'Leary informed Trustees that the *Beast Quest* half term event at Hampton Court Palace had been successful. Number of attendees will be circulated. A record of 'cost per engagement' is being built up for such activities to inform future decision-making and will be circulated.

Adrian Phillips reported on the progress of works at Hillsborough Castle. All new buildings are closed in and work is progressing to the interiors. It remains a challenge to get sufficient labour on site, and evening and weekend working is required. Buildings will be completed in order of priority for opening in April, and some phasing is to be expected. The cost implications of this have already been factored into the previous request for funds. Jane Kennedy reported that she had visited and was encouraged by the progress, acknowledging the labour difficulties. She had also advised the team to consider what work could be de-prioritised/omitted. In response to her request, the team is putting together a plan for access to the buildings for operational preparations. Adrian Phillips also reported that other elements on the site, such as the Summerhouse in the Walled Garden, are being constructed.

### 2.2 *Financial management report*

Sue Hall reported that the organisation remains on track to achieve the budgeted year end net surplus. Net surplus is currently higher than budget, but this is due to delays in major projects spending, which will be caught up. The next monthly management information report will reflect visit numbers for *Beyond the Deepening Shadow: the Tower Remembers*.



### **3. Draft Operating Budget**

- 3.1 Sue Hall presented the draft Operating Budget, including the underlying assumptions. The Executive's responses to Trustees' comments and questions were as follows:

John Barnes explained that, in the absence of any further firm knowledge about EU exit, particularly in relation to Northern Ireland, the Executive Board has built the budget based on current trends and known events.

Visit numbers have been carefully reviewed by the Executive Board with a view to the 'product' that HRP is offering in 2019/20. In particular, while the Executive considers that Kensington Palace will be one of the most attractive offers in respect of the Queen Victoria anniversary, this is not in itself expected to be a major draw. Commenting on the visit numbers for the Tower of London, Lord Houghton suggested that the Executive consider a strategic change towards monetising each visit, rather than pursuing more visits.

Sir Michael Stevens questioned the discounts for travel trade and Bruce Carnegie-Brown suggested that a wider question for the Board is ticket pricing in relation to accessibility objectives. The Audit and Risk Committee will look at travel trade discounts in the first instance.

Ajay Chowdhury questioned the marketing spend. Dan Wolfe explained that core advertising and promotional spend is on a par with 2018/19, and that HRP was trying to be more efficient with the services it contracts.

Sir Michael Stevens asked why retail income was predicted to drop. This is due to the impact of route closures. The Chairman questioned whether Gift Aid income was ambitious enough, given the Gift Aid strategy.

Free reserves have been maintained at previous levels and funds are also held in designated funds and cash.

The draft Operating Budget will now be reviewed by the Audit and Risk Committee. The final Operating Plan will be presented to Trustees in January.

### **4. Commercial events update**

- 4.1 Trustees received an update on commercial events. Responses to their questions were as follows:

Liz Young confirmed that dynamic pricing was applied to events, although there is opportunity to explore this further across the palaces.

Current priorities for the team are to sell the highest-yielding events and to cross-sell more venues to existing customers.

Private tours at Kensington Palace are successful and the team is looking to extend the offer to other palaces. They would like to run



more events in the moat and on the Wharf at the Tower of London, and do more to encourage day visits inside the palaces. The Flower Show will be assessed in relation to the promises made by the RHS at the time of the renewal. The potential of the RHS Flower Show to generate more visits to Hampton Court Palace is also being considered.

## **5. Annual People Report**

- 5.1 Trustees received the Annual People Report. Graham Josephs responded to the following questions from Trustees as follows:

The increase in recruitment in 2017/18 on the previous year was due to the planned increase in headcount across the organisation. However, a further iteration of the report will separately identify Hillsborough Castle recruitment, for information.

In common with many organisations, HRP is not yet recovering very much of the apprenticeship levy. The apprenticeship programme is not solely focussed on school leavers, and apprenticeship opportunities are being identified across the organisation.

The recruitment market remains difficult. HRP is adopting a more market-focused approach to attract the right talent (e.g. creating a Resourcing Manger role from within the existing HR team complement). Further information on this initiative will be provided.

Statistics on whistleblowing and respect in the workplace will be provided, even where there is a nil response, as part of the Annual People Report. Consideration will be given to the wording of the respect/ harassment question in next staff survey.

The reduction in staff engagement (from 69% to 67%) was not perceived by Graham Josephs to be a concern, however the Executive has recognised the fall in enablement (from 63% to 58%) will be problematic if it continues, hence the 'From Complexity to Simplicity' priority area.

The survey has been carried out every two years because of the intensity of effort required of managers in order to ensure high staff participation and resulting action. However, there is an ambition to move to a more continuous assessment process in the future.

## **6. Beyond the Deepening Shadow: The Tower Remembers**

- 6.1 Trustees received an update on the outcome of the event. Initial figures suggest that circulation reach was 172m and social media reach was 145m. Reaction has been overwhelmingly positive and has positioned the Tower of London and HRP in the national consciousness again. A full evaluation will follow.



Trustees thanked the staff for their efforts in bringing the project to a successful conclusion, especially Eva Koch- Schulte. John Barnes thanked Trustees for their support.

## **7. Tower of London plans**

### **7.1 Aileen Pierce presented the plans for the Tower of London, in relation to the Tower Core Story.**

Jane Kennedy asked when Trustees would be shown a holistic plan for the development of the Tower of London. John Barnes listed current ambitions under consideration, including developing more semi-permanent or permanent exhibition space (and the need to balance this with at least maintaining retail contribution), new catering outlets, better use of the Wharf, improving the Crown Jewels display, using the Vaults, improving Tower entry. There are many things to accommodate and the Tower Core Story provides a framework for assessing priorities.

Lord Houghton asked what assessment has been made of what visitors want and whether HRP is responding sufficiently. Our static interpretation has been designed to meet identified visitor need and, for example, what we have learnt from the summer live programming will be built this into future projects.

Sue Wilkinson encouraged the teams to explore links between visitors' on-site experiences and how we connect with them thereafter. Public Engagement, Communications and Development and Commercial Events could work more closely in this regard.

Trustees appreciated the explanation of the Core Story and how it is shaping future plans, and will discuss the more holistic approach to plans for the Tower at a future meeting. Core stories for other palaces will be presented to Trustees in the future.

## **8. KP Orangery new building**

### **8.1 Trustees noted the update and agreed with the Executive Board's recommendation.**

## **9. Domestic market update**

### **9.1 Trustees noted the update on the domestic market, including the various approaches to growing the volume of domestic visitors and also how to improve the monitoring of them.**

## **10. Board effectiveness review**

### **10.1 Trustees noted the report, and that an independent audit of governance had been carried out, which will be discussed at the Audit & Risk Committee in December. Potential actions and discussion points arising from the reports will be brought back to**



the Trustees for consideration at a future meeting, incorporated with the findings of the governance audit.

**11. Subcommittees**

11.1 *Nominations Committee*

Trustees agreed the long term succession plan for the Trustees, subject to some minor alterations to reflect the fact that, whilst always seeking the best candidates, the aim should be a gender-balanced board.

11.2 *Audit and Risk committee*

Trustees noted the minutes of the October meeting.

11.3 *Investment Committee*

The Chairman gave a verbal update on the latest Investment Committee meeting.

11.4 *Remuneration Committee*

Lord Houghton gave a verbal update on the latest Remuneration Committee meeting.

**12. Procedural matters**

12.1 *Investment decision – Apt 39, Hampton Court Palace*

Trustees approved the investment decision for structural repairs to Apt 39 Hampton Court Palace, to the value of £939,000 (including VAT).

12.2. *Register of interests*

As requested at half-yearly intervals, Trustees formally confirmed their entries on the register of interests. Minor alterations were advised by Ajay Chowdhury and Sue Wilkinson.

**Next meeting: 16 January 2019, Hampton Court Palace.**

