



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: **Monday 20 June 2016**

Location: **61 Whitehall (next to the Banqueting House, Whitehall)**

Attendees: Rupert Gavin (Chairman)
Zeinab Badawi
Sir David Cannadine
Bruce Carnegie-Brown
Liz Cleaver
Lord Dannatt
Jane Kennedy
Carole Souter
Mike Stevens
Louise Wilson

Apologies: Val Gooding
Jonathan Marsden

In attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Graham Josephs - Human Resources Director
Jane McKeown - Acting Finance Director
Alyson Lawton - Trust and Company Secretary
Nigel Walley - Acting Head of Financial Accounts
Nigel Cook - Security Adviser
Terry Crowdy - Fire and Emergency Planning Adviser
Andrew Favell - Health Safety and Environment Adviser

1. **Chairman's comments**

1.1 The Chairman noted that apologies had been received from Val Gooding and Jonathan Marsden.

There were no conflicts of interest declared.

2. **Minutes of the meeting of Wednesday 18 May 2016**

2.1 The Minutes will be revised as Purcell is not involved in the new building behind the Orangery. Subject to this, the minutes were approved.

3. **Matters Arising**

3.1 The Board were pleased to note that Historic Royal Palaces was successful in acquiring the items of dress for the collection, initially discussed at the last meeting and approved by email.



4. Annual Report and Opinion of Audit and Risk Committee and a verbal report from the meeting held on 8 June 2016.

- 4.1 The Board noted the contents of the report. The aim of the report was to give an opinion on Historic Royal Palaces' framework of governance, risk management and control. Mike Stevens, Chairman of the Committee, highlighted the main matters supporting the opinion that the framework was good. He noted that the external auditors had made no significant recommendations, which was a credit to management. On behalf of the committee, he thanked Jane McKeown and the finance team for achieving a clean report and Michael Day and the Executive Board for their continuing focus on risk.

The Board discussed the National Audit Office's (NAO) key audit findings and in particular the meaning of the unadjusted misstatement in the report derived from their extrapolation from a non-material error, found during testing on accrued expenditure. This, they indicated, could theoretically signal a larger overaccrual. As this was based solely on statistical reasoning, the NAO however were not recommending an adjustment to the accounts. Jane McKeown explained that it was audit practice to include such matters in the report but if NAO feel there is any risk they would extend their sample.

David Cannadine applauded the balanced approach to risk management without stifling innovation as it was important to try new things. Mike Stevens agreed.

5. Audit Completion Report from the National Audit Office

- 5.1 The Board noted the report. With no significant issues arising, as in previous years, the National Audit Office had chosen not to attend this meeting.

6. Risk Register

- 6.1 The Board noted the contents of the report. The register has a new look with risks structured under the Statement of Intent goals and summarised in a risk heat map. The Board appreciated the new approach especially the new section on emerging risks which demonstrated that this was a dynamic document. Michael Day credited Jane Bettany, the Head of Internal Audit, who has taken ownership of this and led the new approach with the Executive Board.

7. Financial Statements for the year ended 31 March 2016

- 7.1 The Board noted the contents of the report. The Board approved the Financial Statements and thanked Jane McKeown and the rest of the Finance team for their work in preparing them.

8. Annual Review 2015/16

- 8.1 The Board noted the contents of the Review and asked the Chief Executive to thank those involved in putting it together. Carole Souter observed that it was especially good to read about all the "reaching out" activities, for instance where Historic Royal Palaces helps other organisations in salvage matters. Bruce Carnegie-Brown suggested that as these reports were being read increasingly digitally, there might need to be a further level of attention to the design in the future. The Board approved the Review with thanks to those involved.

9. Annual Security Report 2015/16

- 9.1 The Board noted and discussed the summary of the Annual Security Report.



The detailed report had been reviewed by the Audit and Risk Committee. Nigel Cook, Security Adviser, outlined the plans for 2016/17. The Chairman asked about the follow up from the full emergency exercise that took place in January. All actions are due for completion by the end of this month. The Board approved the report. It will now be forwarded to the Department for Culture, Media & Sport in accordance with our contract.

10. Annual Health, Safety and Environmental Report 2015/16

10.1 The Board noted and discussed the summary of the Annual Health, Safety and Environmental report. The detailed report had been reviewed by the Audit & Risk Committee. Andrew Favell, Health & Safety Adviser, outlined the plans for 2016/17. The Board asked what would need to be done to move to an overall assessment of “good”. He explained that the implementation of an annual site based audit plan would confirm compliance and allow a more measured method to forming the opinion. The Board approved the report. It will now be forwarded to the Department for Culture, Media & Sport in accordance with our contract.

11. Annual Fire and Emergency Report 2015/16

11.1 The Board noted and discussed the summary of the Annual Fire and Emergency report. The detailed report had been reviewed by the Audit and Risk Committee. Terry Crowdy, Fire and Emergency Planning Adviser outlined the plans for 2016/17. He also explained the approach to the Fire Compartmentation Work in the White Tower at the Tower of London. As was the case in historic buildings, this is complex and was expected to take place over a number of years. The Board discussed the fire risk. Mike Stevens noting the cause of the Clendon Park fire, asked about assurance that electrical systems are up to date. Terry Crowdy explained his audit of maintenance at each site. There is also a programme of major infrastructure upgrades. Jane Kennedy asked for details of the minor incidents referenced at 2.5 of the report. The Board approved the report.

12. Sustainability Report 2015/16

12.1 The Board noted the contents of the report. Andrew Favell explained the plans for 2016/17. The current focus is on electricity consumption. Zeinab Badawi asked about sustainability in food outlets. Andrew Favell explained the first pilot on food waste separation at Hampton Court had been good. Michael Day noted that at the next meeting, there would be an opportunity for Trustees to comment on the principles for the next catering tender. The management team gave examples where sustainability criteria in some form are already part of certain other contracts and procurement.

13. The Restated Annual Operating Plan 2016/17

13.1 The Board noted the update following the finalisation of the 2015/16 year end.

14. Hillsborough Castle Advisory Group

14.1 The Board noted the contents of the report and approved the change to the terms of reference.

15. Any Other Business

15.1 John Barnes outlined a proposal for acceptance in lieu and loan items for Kensington Palace and explained the initial implications. The Board gave their agreement in principle subject to further understanding of the endorsements



and their impact.

- 15.2 Carole Souter praised the team for the organisation of the Music Festival at Hampton Court and also noted that she and David Cannadine had received a very good induction from the teams of the Banqueting House in Whitehall and from the Tower of London.
- 15.3 The Chairman outlined progress on membership of the sub-committees. A formal report will be prepared for approval at the next meeting.
- 15.4 The Chairman informed the Board that David Cannadine had agreed to become Deputy Chairman of Trustees. The Board thanked him for taking on this role.
- 15.5 The Chairman on behalf of Trustees also thanked Jane McKeown for her significant contribution over the last seventeen months as Acting Finance Director. Sue Hall, the new Finance Director will start at the beginning of July.
16. **Trustees' and Directors' Register of Interests**
- 16.1 The Board noted the contents of the report and agreed to update the Trust and Company Secretary with any further changes.
17. A private session of Trustees was held at the end of the meeting.
- 17.1 **Next meeting: Hampton Court Palace: Wednesday 20 July**

