

MEETING OF THE BOARD OF TRUSTEES

Hampton Court Palace, Wednesday 27th July 2011

Minutes

Present: Charles Mackay (Chairman)
Sophie Andreae
Dawn Austwick
Ian Barlow
Liz Cleaver
Lord Dannatt
Sue Farr
Jonathan Marsden
Sir Trevor McDonald
Malcolm Reading

Apologies Sir Alan Reid (Deputy Chairman)
Sir Adrian Montague

In Attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Tania Fitzgerald - Finance Director
Danny Homan - Communications and Development Director
Alyson Lawton - Trust and Company Secretary

For items 4.2-4.4, the following members of staff joined the meeting:

Kate Frame - Head of Conservation and Collections Care
Terry Gough - Head of Estates
Adrian Phillips - Surveyor of the Fabric
Rachael Smith - Business manager, Conservation Department
Lucy Worsley - Chief Curator
Deirdre Murphy - Curator, Kensington Palace

And for 4.5, Vikki Wood, Head of Media and Public Relations; and Sandra Botterell, Head of Marketing

1. **Chairman's comments**
 - 1.1 The Chairman welcomed Liz Cleaver to her first meeting and noted the apologies received.
2. **Minutes from previous meetings**
 - 2.1 The minutes of the meeting held on Wednesday 25th May and Monday 20th June were approved. The Board asked the Trust and Company Secretary to review whether in future these two meetings might be combined.
3. **Matters arising from previous meetings**
 - 3.1 There were no matters arising
4. **Strategic Development**
 - 4.1 **Give the palaces the care they deserve**
 - 4.1.1 **Annual Update.** The Board noted the report from the Conservation and Learning Director. Conservation is one of the key charitable objectives. The purpose of the report and discussion was to consider the progress of our work in buildings conservation, collection care and gardens.



Historic Royal Palaces is the independent charity that looks after the Tower of London, Hampton Court Palace, the Banqueting House, Kensington Palace and Kew Palace. We help everyone explore the story of how monarchs and people have shaped society, in some of the greatest palaces ever built.

We receive no funding from the Government or the Crown, so we depend on the support of our visitors, members, donors, volunteers and sponsors.

4.1.2 Buildings. Adrian Phillips, Surveyor of the Fabric, briefed the Board on progress on the top ten buildings project.

The Board also noted progress using the performance dashboard. One measure of progress was actual spend against the spending expected over the period set out on in the 2007 strategic plan. A number of factors had meant that actual spend had been lower than expected. This was due in part to lower spend allocated to conservation due to Historic Royal Palaces' concern about general economic conditions during the period. The Surveyor of the Fabric explained that some projects had to be deferred such as garden walls and railings but there was now some catch up. The original plan had been ambitious and lessons had been learnt about planning and delivery of conservation projects in the intervening years. Accelerating the programme would depend on both additional funding and capacity. In some trades, it would be difficult to recruit the right skills. Malcolm Reading reminded the Board that the economic conditions in 2007 had been different. Construction inflation was much greater than today. Budgets were prepared on this basis and included contingencies, which had not been needed and were conservative estimates. Projects are being delivered below budget, thereby producing savings. John Barnes also reminded Trustees that there were other limiting factors that influenced the choices, such as large scale scaffolding that would impact the visitor experience. The Chairman concluded that this had been an important area for debate. When we review whether we are achieving our ambitions it is important to look at what we have actually done, not just the money spent.

The Board then reviewed the maturity matrix which covered our assessment of performance on the four key governance questions: Are we doing the right work? Are we doing it at the right pace? Are we doing it to the right standards? Are we getting value? We are achieving target in many areas and the matrix indicated where progress to reach maturity needed to be made. The Board agreed that this was a helpful assessment and proposed that it should be subject to a peer review following the next State of the Estate Survey in 2013. The Board also noted the project cost key performance indicators

The Chairman summarised the discussions. Good progress had been made and the maturity matrix was a useful tool which will be validated after the next State of Estate survey. The Board confirmed that they were satisfied with the progress and thanked the Surveyor and his team.

4.1.3 Collections. Kate Frame, Head of Collections Care, explained progress on the three strands of work in the top ten projects. The first strand was about projects that were logistically or technically complex but had a known solution. Examples were the Arms and Armour project at Hampton Court and the Abraham and Melchizadek tapestry. The second strand was projects where there is no technical solution and therefore research needs to be undertaken before a treatment is undertaken. An example is the peeling of the decorative paint scheme of the William Kent ceiling on the Queen's Staircase at Hampton Court. There is no lasting way to re-adhere the paint; therefore we are testing environmental control measures to slow the rate of peeling. The third strand is monitoring the rate of deterioration. The five highest priority tapestries are being conserved based on this rate of change.

Jonathan Marsden felt that the work done by the team was state of the art within the profession. In particular he applauded the initiatives to develop professional managers. Dawn Austwick endorsed this view and the importance of the leadership role. The in-house specialism was in textiles. Specialists in other fields were brought as and when required. Sir Trevor McDonald noted that the work deserved a wider public platform. Kate Frame explained how our work was being promoted. Academic papers had been accepted at the UNESCO ICOM CC Triennial conference in Lisbon. She also noted that discussions were taking place

on how to mark one hundred years of conservation work at Hampton Court in 2012.

She noted other specialist expertise in curatorial and dress relating to the Royal Ceremonial Dress Collection and in risk management relating to collections. Our research also ties into being textile specialists. The Board agreed that Trustees next site visits should include a visit to the textile studios. The Board thanked Kate and his team for their work.

- 4.1.4 Gardens.** Terry Gough, Head of Gardens and Estates discussed progress on the top ten gardens projects. Progress had been made at all palaces. At the Tower, the first draft of the Conservation Management Plan will be ready shortly. Alongside the quinquennial review of the Hampton Court plan and the Kensington plan, this will give a consistency of approach across all sites.

Work at Kensington includes the re-presentation of the Cradle Walk and the Orangery Garden. Trustees asked about the proposed design for the Orangery Garden.

Terry also noted the work at Hampton Court including work in Home Park. Malcolm Reading observed that it was good to see our work extend to the natural landscape.

The team would be working on the kitchen garden next to the Royal Kitchens at Kew. This was additional to the top ten projects. The work was being done by a direct labour force and provided opportunities for developing the team.

The Board asked Terry to identify the areas in which we were distinctive. He felt these included gardens conservation - restoring the past such as the Lower Orangery and interpreting what we do. He also reminded Trustees that we held three national collections; Queen Mary Exotics; Heliotrope and Lantanas.

The Board thanked Terry and his team for their work.

4.2 Curators Annual Update

The Board noted the report by the Chief Curator, Lucy Worsley. Lucy explained that in addition to delivering the exhibitions and the project at Kensington, the team was planning an academic conference in 2012 and the next crescendo of activity in 2014. An area of change this year and in the future would be creating a research culture with the aim of applying for Independent Research Organisation Status. She also noted the recent acquisition that had been agreed by Trustees of a painting of Kensington Palace was now on display at Kensington. A recently acquired footman's livery from 1817 from the Hanover Royal Household was on display for Trustees to view. Michael Day noted that the curatorial department, was a small team producing a large and diverse output and its results were spectacular.

The Board asked about the sorts of areas that would be researched. The Chief Curator felt that the collections, palaces and skills of the team would dictate the themes but nevertheless, the team had identified a possible three hundred research areas which could be considered. She would update Trustees on the themes when they emerge.

Michael Day also observed that apart from these areas of excellence, the organisation had built up expertise in engaging the public in history. The Chairman asked Liz Cleaver, who has a background in public engagement in history to comment. She observed that getting beyond your loyalists was one of the toughest jobs and with the fragmentation of markets and media, this was becoming increasingly difficult.

Danny Homan also reminded Trustees of the large part that curators play within the communications strategy. We have been working hard to talk to a broader audience. The Trustees agreed, noting they had seen attendees enthralled by the curators' presentations and observed that curators would also have a role in the public affairs strategy engaging opinion formers. The challenge was how to get our messages more widely known. The strategy would be developed during the coming year.

The Chairman thanked Lucy and her team, observing that each year, progress becomes even more impressive.

4.3 Admissions Pricing 2012/2013

- 4.3.1** The Board noted the report from the Communications and Development Director and the pricing decisions for 2012/13 made by the Executive Board commenting on the conclusions. The Chief Executive explained the overall thinking and noted that the strategy of achieving an admissions price for children at half the adult price had been achieved at all palaces and for the first time, when Kensington Palace re-opens in March 2012, children would be free. Membership prices were also being held. The Board asked about online ticket prices, which are sold at a discount from the gate price, and asked how this is promoted. Seasonal and other variable ticket pricing will also become possible with the new ticketing system. The Board also debated the influence of some of the many factors that impact on the decision to visit by both domestic and overseas audiences such as the economic climate, the exchange rate and other non economic factors such as the renewed interest in heritage following the recent royal wedding.

4.4 Domestic Audiences Strategy

- 4.4.1** The Board noted the content of the report by the Chief Executive. Around one million UK residents visit the palaces each year. Within this there are repeat visits and members but the majority are new visits. The Board agreed the importance of a strategy to increase the number of these visits and commented on the proposal, supporting the allocation of appropriate funding at the next financial forecast. Liz Cleaver noted that it was important to take a holistic approach to the domestic audience strategy, social media and public engagement. Jonathan Marsden agreed. Hearts and minds were key to generating demand and the desire to visit. Sue Farr noted that we should use our plans for celebrating the Diamond Jubilee and the Olympics in 2012 to drive domestic audiences next year. Danny Homan agreed to provide her with the information on our approach.

4.5 Social Media

- 4.5.1** Sandra Botterell, Head of Marketing and Vikki Wood, Head of Media and Public Relations, gave a presentation on the strategy for social media and apps and asked Trustees for their views. Trustees asked about the overall objectives. This had been a high level presentation and detailed objectives, outcomes and resources were being worked out for the Annual Operating Plan. Trustees asked for clarification on the principles on which we would operate. For instance Dawn Austwick asked about the institutional authority we would be investing in social media: social media requires different tone of voices. At the moment, we tend to speak as Historic Royal Palaces and only occasionally with individual voices. There is an expectation to be authentic and say who we are. We needed to be clear about how this would be in the future. Malcolm Reading felt that we would need to have a flexible approach similar to that used for our early website development, where there were also a number of unknowns.

Trustees were being asked at these early stages to agree a direction of travel not a strategy, with management deciding how much resource to invest as part of the Annual Operating Plan. Sir Trevor McDonald felt that good points had

been made about the further detail trustees were looking for, nevertheless he felt it was an area that we should be in, to extend our audiences. Sue Farr noted that there were some big issues to address, not least the resource required to do this well, which should not be underestimated. She also suggested that some teenagers might be asked to help to develop the direction.

Trustees supported the direction and looked forward to receiving further detail in due course on how this area of our work could help to achieve our objectives.

5 Projects and Expenditure

5.1 The disposal of a small section of land near Tower Hill underground Station

5.1.1 The Board approved the disposal of a small section of land at Tower Hill Station to London Underground limited to enable the construction of a new passenger lift.

6. Monitoring Performance

6.1 The Chief Executive's Reports for June 2011 and July 2011

6.1.1 The Board noted the contents of the reports. The Chief Executive noted the following items;

- Plans for the summer visitor opening at the Banqueting House. Sue Farr noted that on her site visit after the last Board meeting, she had been encouraged to hear about these but also felt that the back of house staff areas needed some investment to bring them up to the standard of the other palaces.
- A summary of HRP's achievements over the last ten years as requested by Trustees at their meeting in March
- News that Historic Royal Palaces had achieved the Investors in People Bronze Award.
- Possible future changes to space allocation at Kensington Palace.
- The Board noted that the employment tribunal relating to Keith Cima would be commencing on 6th August.

6.2 Financial Performance to the end of June

6.2.1 The Board noted the contents of the Finance Director's report. Financial performance had been strong. There has been high visitor numbers especially at the Tower and Retail performance has been outperforming the increase in visitors. There were a few areas where performance was not so strong and these were being investigated. The good performance in June had continued into July.

7 Organisation and Governance

7.1 The Investment Committee

7.1.1 The Board noted the contents of the minutes of the Investment Committee held on 12th July 2011.

7.2 The Remuneration Committee

7.2.1 The Chairman of the Remuneration Committee, Lord Dannatt, briefed the Board on the conclusions from the meeting at which Directors' pay and organisational objectives for 2012 had been discussed and agreed. The objectives would be fewer but more focused than previous years.

7.3 The Board Effectiveness Review

7.3.1 The Board discussed and agreed the actions proposed in the Board Effectiveness Review. The Board also discussed the feedback from the Executive Board and agreed a number of small improvements. The Chairman noted that these changes were minor in the context of an already high performing group of Trustees. For future debate was how best to deal with early stage conversations on emerging issues when, for the most part, Trustees' main board agendas are about strategy and delivery against objectives. An example of this had been the earlier discussion on social media.

8. Any Other Business

8.1 There were a number of meetings being arranged for next year and options had been circulated. The Trust and Company Secretary asked Trustees who had not yet done so to reply as soon as possible.

9. Next meeting:

A strategic planning session was being arranged for 20th September. The next Board meeting would be on 28th September.