

MEETING OF THE BOARD OF TRUSTEES

61 Whitehall, Monday 20th June 2011

Minutes

Present: Charles Mackay (Chairman)
Sir Alan Reid (Deputy Chairman)
Dawn Austwick
Ian Barlow
Lord Dannatt
Sue Farr
Malcolm Reading

Apologies: Sophie Andreae
Liz Cleaver
Jonathan Marsden
Sir Trevor McDonald
Sir Adrian Montague

In Attendance: Michael Day - Chief Executive
John Barnes - Conservation and Learning Director
Danny Homan - Communications and Development Director
Tania Fitzgerald - Finance Director
Alyson Lawton - Trust and Company Secretary
Mark Beaumont - Health, Safety & Environmental Advisor (for item 1 to 3)
Jane McKeown - Head of Financial Accounting
Julian Whitehead - Security Advisor (for item 1 to 3)
Jacquie Smilie - National Audit Office



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.

1. Chairman's comments

- 1.1 The Chairman noted the five apologies received and confirmed that there was a quorum for the meeting. The main purpose of this meeting was to sign off the Annual Review and Financial Statements. The Chairman proposed that given the absence of five trustees, discussions about actions arising from the Board Effectiveness Review should be held over to the next meeting.

2. The Annual Security Report

- 2.1 The Board noted the contents of the Annual Security Report. Julian Whitehead, Security Advisor identified the key points. The Chairman of the Audit Committee, Dawn Austwick proposed to pick up issues on process at the next Committee meeting.

The Board noted that the announcement that the Duke and Duchess of Cambridge would move into temporary accommodation at Kensington Palace would have implications for security for both public and private areas of the Palace.

2012 is the Queen's Diamond Jubilee and London Olympic year. The Chairman asked whether Trustees could have any further reassurance about security arrangements. The Chief Executive observed that the challenge was to get the balance right commensurate with the visitor experience. The Security Advisor agreed to explore whether any further reassurance could be gained through the external checks (report ref 6.3) already carried out.

The Board thanked the Security Advisor, approved the report, and subject to

one minor amendment asked for it to be forwarded to the Department for Culture, Olympics, Media and Sport in accordance with our Contract.

3. The Annual Health, Safety and Environment Report

- 3.1 The Board noted the contents of the Annual Health, Safety and Environmental report. Mark Beaumont, Fire, Health and Safety Advisor, summarised the key matters and the progress made during the year. In June 2010, Trustees had been concerned about an increase in staff accident rates; he was now pleased to report that following a range of initiatives, this trend was reversing but it would continue to be closely monitored. These accidents were mainly cuts, trips and falls. The majority are very minor. However we record everything as this sends an important message that Health and Safety is important.

Sir Alan Reid asked about asbestos at Kensington Palace. Within the area being refurbished, three pieces had not been removed. Expert advice indicates that if it is in good condition, it is better to leave it as the impact of disturbing it, is often worse. The Health and Safety Advisor explained how it had been identified for the future.

The Board asked whether the main contractors for projects were included in the statistics. Mark Beaumont confirmed that they were and that there had been no reportable accidents in the major project work.

The Chairman observed that visitor accident rates were generally low (3.1 per 100,000) but accidents at Hampton Court were far greater than the Tower. Mark Beaumont explained that proportionately more young families and older people visited Hampton Court than the Tower and accidents were greater in these two groups. Hampton Court also had larger outdoor areas. The Chairman also observed that trends were moving in the right direction but encouraged more investigation to reduce accidents involving young people noting that the incidence rate was not huge and was mainly slips and trips but could nevertheless be improved.

The Board thanked the Advisor, approved the report and asked for it to be forwarded to the Department for Culture, Olympics, Media and Sport.

4. The Audit Committee held on 8th June 2011

- 4.1 The Board noted the minutes of the meeting. The Chairman of the Audit Committee, Dawn Austwick observed that this was the first meeting attended by our external committee member Anupam Ganguli. The main purpose had been to go through the year-end accounts. There had been no matters arising but there had been minor changes to narrative rather than numbers. Vikki Wood, Head of Media and Public Relations had also attended to talk about managing risk and the Audit Committee had been impressed with her presentation. A review of computer audit needs was considered as well as monitoring progress on internal audit work undertaken.

5. The Report from the National Audit Office

- 5.1 The Board noted the contents of the report. Jacquie Smilie, National Audit Office, confirmed that the audit had gone well and all the outstanding points had been completed. She drew attention to management's approach to the application of FRS30; and the valuation of heritage assets. The Board noted that it had also been discussed at the Audit Committee who had been supportive of the line taken by management, given the cost, time and difficulties involved. Jane McKeown, Head of Financial Accounting confirmed that there were no outstanding issues.

This was the first year in which the National Audit Office had been auditor for both the charity and trading company. The Board hoped that on the basis of the low level of issues and economies of scale, there would be positive impact on the cost of the audit fee next year.

6. The Trustees' and Directors' Register of Interests

- 6.1 The Board noted the contents of the report and agreed to update the Trust and Company Secretary with any further changes. As changes to Trustees interests are now reported at every Trustees meeting, the Audit Committee will now review the register annually rather than at every meeting.

7. The Risk Register

- 7.1 The Board noted the contents of the report and the risks in the register. The Chief Executive discussed in detail recent events impacting the delivery of the *Kensington; A Palace for everyone*. The Chairman noted that a solution was being worked on. The Chairman observed that there had been risks emerging in the last year such as the Public Bodies Review which had been absent from the register. He asked Trustees to comment on whether they felt anything else might be missing. Trustees gave some initial thoughts on possible areas for consideration and agreed to feedback any further thoughts before the July meeting.

8. The Financial Statements for the year ended 31st March 2011

- 8.1 The Board noted the contents of the report. The Board discussed and then approved the Financial Statements and thanked Tania Fitzgerald and the rest of the Finance team for their work in preparing them.

9. The Annual Review 2010/11

- 9.1 The Board noted the contents of the Review and agreed that it represented a successful year of activity across all areas. Trustees had suggested some other minor amendments and corrections to the text. Subject to these changes, the Board approved the Report with thanks to those involved.

10. Further Opportunities for Historic Royal Palaces

- 10.1 Since the report had been written, further discussions had taken place., no debate was now required as new information had emerged. The report was therefore withdrawn from the agenda.

11.1 Review of Board Effectiveness

The Board noted the contents of the Chairman's report which was based on in depth interviews with each of the Trustees. The Board agreed that the report fairly reflected their views and that they would discuss further the actions at the July meeting when more Trustees were present.

12. Any Other Business

There was no other business.

Next meeting: Hampton Court Palace: 27th July 2011