

MEETING OF THE BOARD OF TRUSTEES

Hampton Court Palace, Wednesday 25th January 2012

Minutes

Present: Charles Mackay (Chairman)
Sophie Andreae
Dawn Austwick
Ian Barlow
Liz Cleaver
Lord Dannatt
Sue Farr
Sir Trevor McDonald
Jonathan Marsden
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
Alyson Lawton - Trust and Company Secretary



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 apologies received for the meeting. An additional item was added to the agenda on a possible future project at the Tower of London (see 5.1 below).

2. Minutes from previous meetings

- 2.1 The minutes of the meeting held on Wednesday 30th November 2011 were approved.

3. Matters arising from previous meetings

- 3.1 The Chief Executive briefed the Board on the first steps taken to review the functions and events activities.

4. Strategic Development

4.1 Strategic Planning 2013-2015 – Financial Assumptions of the Annual Operating plan 2012-13 as part of the revised Strategic Plan

- 4.1.1 The Board noted the contents of the Finance Director's report on the financial assumptions that would underpin the Annual Operating Plan to be presented for approval by the Trustees in March as part of the revised Strategic Plan.

The detailed departmental reviews of income and expenditure would be taking place in February. Departmental bids needed refinement, however early indications showed that the plan for 2012/13 would include extra posts and that the project spend remained high even though it was a year in which we were focussing on operational delivery. Trustees concluded that these factors were indicative of our stated ambition to build a step change in activity.

The Board discussed and agreed the project areas for designating funds at the year end.

The Board debated the target for visitor numbers. The economic conditions; the impact of the Olympics, Jubilee, and our specific projects for 2012 were all important influences. The Chairman felt that the proposed target was sensible for planning purposes and that the management team should continue to concentrate on matters within our control and actions to mitigate any negative factors. The Chief Executive explained the commitment already made for marketing expenditure. The Board felt that there would be a feel-good factor around the Jubilee and asked the Chief Executive about our ability to respond quickly to any opportunities. He would report back in March.

The Board agreed the visitor number targets. The Chairman hoped that the targets, in particular for Kew and the Tower, would be beaten. Trustees discussed the impact of conservation work on the visitor experience and gave a range of views on how this might influence the principles of admissions prices. The Chief Executive explained the current thinking but noted future circumstances could influence a change in policy.

The Conservation and Learning Director explained the reasons why there would now be no temporary shop at the exit from the Jewel House at the Tower of London.

Malcolm Reading suggested that given the current environment within the construction industry, contingencies might be held to deal with the failure of construction contracts. The Board felt that the financial consequences would most likely be resolved using our reserves but that we might consider this as an alternative approach if it ever became more common.

As there was no change to the way that the charity would respond to unexpected events, the Board agreed that a top level summary of how we would deal with a crisis should be included in the strategic plan in March rather than a full review.

The Board agreed the assumptions that would underpin the Annual Operating Plan. The Plan will be presented for approval at the March meeting as part of the revised Strategic Plan.

4.2 Review of Strategic Aim: Have impact in the wider world

4.2.1 Learning

- 4.2.1.1** The Board noted and commented on the contents of the Conservation and Learning Director's paper.

4.2.2 Annual Update on Partnerships

- 4.2.2.1** The Board noted the contents of the paper. Academic institutions were included only if there were close formal links through memorandums of understanding. The Board felt that given our ambition to seek Independent Research Organisation status, this was an area to be strengthened. A programme to create a more informed understanding of our organisation within the media would also be beneficial. The Chief Executive would discuss this with the Communications and Development Director and whether it might be included in the public affairs strategy. The Board also made further suggestions as the analysis of the key relationships and agreed that this annual review had been a useful exercise and should be continued.

4.3 The vision for the Baroque Palace at Hampton Court Palace

- 4.3.1 The Board noted the contents of the Chief Executive's report and welcomed the early opportunity to discuss the vision for this project. Sue Farr felt that it would be a challenge to simplify the vision for communication. The term "Baroque" was not well understood in Britain. With the important restoration work already done, the opportunity was more through interpretation and bringing the ideas of this period to public consciousness, including the important characters such as Sir Christopher Wren. Jonathan Marsden noted that the performance aspects were of great importance and that Historic Royal Palaces was well placed to bring to life the human element of the story. Dawn Austwick was reminded through some of the illustrations of the scale and spectacle of the Baroque elements of Hampton Court Palace. As we were becoming a more visual society, more of the storytelling might be done visually.

Ian Barlow asked about setting a target for visitor numbers. Michael Day noted that we were taking a thoughtful and strategic approach to domestic audiences and this work would inform our future planning and target setting. The Baroque vision for Hampton Court together with the "Magic Garden" will transform the offer but it is five to six years work. The Chief Executive thanked Trustees for their perspectives and agreed that performance and programming aspects were key factors.

5. Projects and Expenditure

5.1 The Tower of London – Southern Defences

- 5.1.1 The Board discussed the contents of the report and gave their views. The Board agreed, subject to some final clarifications, that this proposal should be progressed to the next stage.

5.2 The Live Interpretation Contract

- 5.2.1 The Board noted the contents of the paper and approved the appointment of Past Pleasures subject to:

- Functions and events rates being agreed
- Terms and conditions of the contract being finalised.

The Board also agreed to a study to be undertaken to determine the advantages and disadvantages of bringing the service in-house in sufficient time to implement the in-house solution at the end of the current contract, if that is what is decided.

6. Monitoring Performance

6.1 The Chief Executive's Reviews for December and January

- 6.1.1 The Board noted the contents of the report. The Chief Executive highlighted the following matters:
- The recent significant donations and grants awarded to Historic Royal Palaces.
 - The Wharf Café was proceeding after discussions as agreed at the last Trustees Meeting
 - A review of the actions being taken to improve diversity had taken place and further actions added.
 - The new Head of Kew and Kensington would be Natasha Woollard who has emerged as an exceptional internal candidate following a rigorous recruitment process with both internal and external candidates.

- The London Youth Trust had decided to move towards a future that does not include Historic Royal Palaces as a partner.

The Conservation and Learning Director gave a project update in detail on progress in terms of both programme and cost, on “Welcome to Kensington – a palace for everyone”. Trustees noted the current challenges to programme and cost, and the actions being taken to achieve the various opening events and the public opening date of 26th March.

6.2 Financial Performance to the end of December

6.2.1 The Board noted the report on Financial Performance. Visitor numbers were above forecast but visitor income was slightly behind due to the different mix of visitors over the Christmas period. All other income areas were good with operating costs and projects running below forecast. Although there was expected to be some catch up in operating and projects costs, it was likely that the year end outturn would exceed the forecast.

6.2.2 The Board gave their views on the management information pack. The Chairman also reported the views from Sir Alan Reid. There was a range of opinions on the level of detail reported. Although this might be greater than some Trustees needed, it did allow others to drill down to find answers if there was something that looked unusual. It was agreed that the top line commentary would be moved to the front page.

Ian Barlow suggested an enhancement by periodically including the key five or six non-financial performance indicators. Although a range of key performance indicators were reported to Trustees as part of the September Strategic Planning discussions and would be shown as part of the Strategic plan, the management team had not reduced this to the key five or six. The Chief Executive asked the Board for their views on which ones might be included in the top five, given the range of activities that we undertake. The Board agreed to look at this again in September.

7. Organisation and Governance

7.1 The Investment Committee 24th November 2011

7.1.1 The Board received the minutes of this meeting. The Chairman of the Investment Committee, Sir Adrian Montague, had already given a verbal report at the last Trustees meeting.

7.2 Changes to the Register of Interests

7.2.1 The Board noted the changes to the register of interests

7.3 Dates for Trustees Meetings in 2013

7.3.1 The Board noted the dates of the proposed meetings and agreed to advise the Trust and Company Secretary of any dates where they are not able to attend. The Chairman noted that an alternative date for the January meeting should be considered given that other commitments prevented two Trustees from attending meetings in the third week of January.

8. Any other business

8.1 Historic Royal Palaces is often approached by other charities with requests to hold events at its palaces. Historic Royal Palaces as a charity itself is not able to provide a venue without charging (at a charity rate). Our charitable status is not well understood. Trustees discussed how we should respond to such requests.

8.2 The Chairman and the Constable briefed the Board on an initial meeting with the newly appointed Chairman of the Royal Armouries, Wesley Paul. The Constable is a Trustee of both Historic Royal Palaces and the Royal Armouries and the Royal Armouries is one of our key partners at the Tower of London.

9. Next meeting:

Wednesday 21st March 2012 at the Tower of London.