

MEETING OF THE BOARD OF TRUSTEES

Hampton Court Palace, Wednesday 25th July 2012

Minutes

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

Apologies: Ian Barlow
Sir Adrian Montague

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

And until item 4.5;

Kate Frame - Head of Conservation and Collections Care
Terry Gough - Head of Estates
Patricia Les - Head of Building Conservation
Lucy Worsley - Chief Curator



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 Apologies had been received from Ian Barlow and Sir Adrian Montague.

2. Minutes from previous meetings

2.1 The minutes held on Wednesday 25th May and Monday 18th June 2012 were approved.

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, collections care and gardens.

4.1.2 Buildings

The Conservation and Learning Director gave an update on the top ten projects identified in 2006 to be completed over the following ten years as a mark of progress in buildings conservation; three were now fully complete, three were nearly complete and four had not yet been started. Progress was to schedule. The key performance indicators have also been achieved. We now plan to improve our capacity and recruit two further programme managers to deliver the increased number of conservation projects in the next phase of our Strategic Plan.

The move of the Dress Collection to Hampton Court Palace had gone well. The changes in accommodation at Kensington Palace had required some external space planning for the new areas. There is a delay of about one month in the availability of the new spaces for office accommodation.

Malcolm Reading felt that projects such as Kensington Palace had been a great success but that lessons could be learnt, especially relating to contract management. John Barnes explained that a review of the major projects had already started. It was planned to provide an interim report to Trustees in November. The Executive Board had also reviewed project governance and would be making changes.

Malcolm Reading felt that the issue was about the management of the construction relationship. He hoped that the review would include some external perspectives, a view endorsed by Dawn Austwick. It was agreed that John Barnes would consult further with Malcolm Reading and Dawn Austwick.

4.1.3 Collections

Achievements for the year had included the conservation and presentation of key objects for eight exhibitions and the move of the Dress Collection. Steady progress had been made in the treatments of tapestries, costume and non textiles, and a five year study on the impact of light on the collection had been completed. We were also now funding a heritage science scholar.

4.1.4 Gardens

Highlights had been:

- the completion of the new grand approach to Kensington Palace,
- the work on the gardens and walls of the Little Banqueting House at Hampton Court, and
- work on the conservation management plan for the Tower of London to develop the potential of the setting.

The Board agreed that the gardens looked wonderful. Lord Dannatt asked whether the balance between the benefit from large scale events and the damage to the grounds was justified. Terry Gough explained he was working with the Tower of London team on improvements to the specification and speed of reinstatement after such events at the Tower. He also recognised that the Flower Show at Hampton Court had been particularly tough on the landscape this year due to the wet weather. Michael Day endorsed Lord Dannatt's concern. Large events are an important part of our financial model but we must start investing in long term infrastructure in the landscape as a way to minimize future damage.

4.2 State of the Estate Redesign

4.2.1 The Board noted the contents of the report. The outcome of the State of the

Estate Review will be a report on the condition of the estate and a planned new programme of work in 2014 refreshing the top ten projects as markers for progress in the condition of the estate. The survey will enable us to debate how much we should spend and if cash becomes tight, agree how to prioritise the resource. Malcolm Reading felt that the paper clearly explained the plans for this complex piece of work. In particular, the method of presenting the information to non experts was an achievement and will revolutionise the debate at Trustees meetings.

Patricia Les explained work to date and there had been no surprises. She felt that, overall, the State of the Estate was in fair or good condition. The Board approved the State of the Estate methodology and agreed the focus for Trustee reporting will be our progress in reaching target conditions.

4.3 Curators Annual Update

- 4.3.1** The Board noted the contents of the Chief Curator's report. The opening of all the exhibitions in spring had been a challenge in terms of workload, especially as project slippage had meant that some deadlines had converged. Lucy Worsley noted that our plans for 2014 are no less ambitious. The challenge is balancing the ongoing projects with collections management and research for the longer term future. This was leading to a requirement for increased permanent resource. The Board recognised the tremendous pressure that had been on curators as it had been on the rest of the organisation and the equally ambitious programme going forward. They asked about the balance of the curatorial team between full time, part time and temporary staff. It included a small full time team of 8. Michael Day restated his general reluctance to increase permanent posts given the current economic background but stressed that project and short term contract requests were always looked at constructively. Jonathan Marsden praised the team for their achievement in delivering the projects. He suggested that it might be possible to increase the resource through collaborative PhDs rather than just through increased permanent headcount.

The Board asked about the impact of moving the Dress Collection to Hampton Court Palace. Lucy Worsley explained there was an opportunity to take the display to all the palaces but we will need to encourage our colleagues in other organisations to continue to make use of the collection in its new location and will aim to provide greater access to the public.

Liz Cleaver asked for feedback on the Monarchy conference held in June. Jonathan Marsden felt that it had been first rate with many notable speakers. The keynotes are now available on *itunes*. Michael Day recommended Trustees to view David Cannadine's key note address on *youtube*.

Liz Cleaver also noted the developing and engaging style of the recent television programmes featuring the palaces. She felt that Lucy Worsley had done a huge amount in her own right to increase the visibility of Historic Royal Palaces as has the rest of the team. The Board agreed, thanked Lucy and asked her to congratulate the team on their behalf.

4.4 New Opportunities

- 4.4.1** The Board noted the contents of the report and agreed to the recommendation.

4.5 Admissions Pricing 2013/2014

- 4.5.1** The Board noted the contents of the paper, which proposed a broadly inflationary rise in headline gate prices. The Board asked how these prices related to our domestic audiences strategy and also to visitor income. The Communications and Development Director explained how pricing was

positioned. The gate prices were the most expensive. By planning ahead, there were opportunities to buy tickets more cheaply. Seasonal and other variable ticket pricing will also become possible with the new ticketing system. The Finance Director explained that there was a slight downward trend in average yield against budget. This was being analysed.

5. Projects and Expenditure

5.1 Developing and refining Historic Royal Palaces' identity

- 5.1.1** The Board noted the developments to Historic Royal Palaces' identity and made comments. Sue Farr felt that the best brands refresh themselves in low key ways that feel a natural evolution. It was a credit to the team that this had been done at Historic Royal Palaces. Jonathan Marsden agreed but questioned whether the new HRP icon might lose definition when used in the smallest scale. He also asked whether it might be time to look again at the way we describe our charitable status beneath the coat of arms. The Chief Executive agreed to look at this in the final refinements to the brand

5.2 The Magic Garden, Hampton Court Palace

- 5.2.1** The Board noted the contents of the report. Michael Day gave a short presentation of images and initial designs for the garden planned for opening in 2015. This is not a playground but a garden, inspired by Hampton Court Palace and designed for play and learning about it. Trustees gave their comments on the direction of travel. The Board asked about the capacity, the age range and whether there would be a scientific/environmental element. The garden design contained many ideas. The Board wondered whether the design might need to be simplified as it develops. Michael Day explained that we would be working with play specialists and consulting with children in this process. The Board enthusiastically endorsed the concept design.

6. Monitoring Performance

6.1 The Chief Executives Reports for June and July

- 6.1.1** The Board noted the contents of the Chief Executive's Reports. He drew attention to:
- The extraordinarily diverse range of activities in June and in a particular those over the Jubilee weekend especially the wide range of community events.
 - In July, operational teams have been occupied with Olympic events at the Tower of London and at Hampton Court Palace. They have been involved in these at a level far greater than planned and as a consequence, we will need to review some future deadlines. Nevertheless we are delighted with our involvement.
 - The Olympics and Cultural Olympiad are having a negative impact on visitor numbers, coupled with the exceptional wet weather. The outturn for the year will all depend on what happens after the Olympics, it may well be that our gain in visitor income against budget prior to the Olympics will now evaporate.
 - The withdrawal of discretionary rate relief at the Tower which will have a negative annual impact of £171,000.
 - Progress on the Wharf Café project, now likely to be open for trials in August and fully in September

6.2 Financial performance to the end of June

- 6.2.1** The Board noted the contents of the report. As well as the uncertainty over visitor numbers, the forward booking for functions and events was less strong.

There seemed to be an increase in the price sensitivity relating to the total costs of events. Lord Dannatt suggested that we should be taking a holistic approach to event management to see it from the customer's perspective and the competitiveness of overall event cost rather than just looking at the competitiveness of our venue hire cost. The Communications and Development Director agreed to look at this as part of the Strategic Review taking place in the Autumn.

The Board agreed that the "headline messages from financial performance" was an improvement to the report.

7. Organisation and Governance

7.1 The Governance of Interpretation projects

- 7.1.1** The Board noted the contents of the paper, which responded to the matters raised at the last meeting. Jonathan Marsden was concerned that the role of designers should be in proportion to the role of curators. Michael Day said that the method of approach and use of designers would need to be worked out for each project at the appropriate time. Dawn Austwick stressed therefore the importance of getting the timing for these project discussions right. The Trustee Advisory Group could then be consulted on the set up, approach, the role of curator/designer and the balance of the story of "history where it happened" to the historic fabric itself. She felt such issues as had emerged at Kensington were not about standards but more about everything coming together at the same time and not having enough time for reflection.

The Board confirmed the future approach and the setting up of an advisory subgroup. Dawn Austwick, Liz Cleaver and Jonathan Marsden agreed to sit on the Group.

7.2 Amendments to matters reserved for the Board

- 7.2.1** The Board noted the contents of the report and approved the revision to matters reserved for the Board of Trustees.

7.3 The Strategic Planning meeting 3rd October

- 7.3.1** The Board noted the proposed agenda for this meeting and suggested some minor changes to timings.

7.4 The Audit Committee

- 7.4.1** The Board received the minutes of the Audit Committee held on 14th June 2012. A verbal report had already been given on this Committee meeting at the June Trustees meeting.

7.5 The Investment Committee

- 7.5.1** Sir Alan Reid gave a verbal report on this meeting held on the 24th July. The Committee had discussed the banks used for cash deposits and had commented on the current pension fund investment strategy for the Pensions Fund Trustees. The Board asked about the main banking provider.

7.6 The Remuneration Committee

- 7.6.1** Lord Dannatt gave a verbal report on the Committee meeting, which had taken place immediately prior to the Board meeting. He reported that the Committee now planned to meet three times a year. The additional meeting would discuss policy.

7.7 Variation to Contract with the DCMS

7.7.1 The Board agreed a variation to contract with the DCMS relating to the agreed transfer of apartments at Kensington to the Royal Household.

8. Any Other Business

8.1 The Chairman explained that the Nominations Committee had met yesterday to consider long term succession for the Board of Trustees and succession relating to Trustees reaching the end of their second terms of office in 2013. The Board agreed that the conclusions from the meeting will be circulated for comment and agreement to move ahead now, rather than wait until the end of September for agreement at the next Trustees meeting.

9. Next meeting: The Tower of London, Thursday 27th September 2012