



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: **Wednesday 16 January 2019**
Location: **Apt 39, Hampton Court Palace**

Attendees: Rupert Gavin (Chairman)
Zeinab Badawi
Professor Sir David Cannadine (Deputy Chairman)
Bruce Carnegie-Brown
Ajay Chowdhury (by phone)
Lord Houghton
Jane Kennedy
Tim Knox
Carole Souter
Sir Michael Stevens
Sue Wilkinson
Louise Wilson

In attendance: John Barnes, Rachael Gilleard, Sue Hall
Gina George, Richard Harrold, Graham Josephs, Dan Wolfe (items 1-3), Tom O'Leary (items 1-4), Nicola Andrews, Adrian Phillips (items 1-5), Aileen Pierce (item 4).

Apologies: None

1. Opening business

1.1 The Chairman welcomed Trustees to the meeting.

1.2 Jane Kennedy reminded the Board that she is a Senior Partner of Purcell. Purcell has been selected as the architect for the build of the Orangery New Building at Kensington Palace. It was also noted that Tim Knox is partner of Todd Longstaffe-Gowan and Secretary of Todd Longstaffe-Gowan Ltd, which provides landscape design services for HRP.

1.3 The minutes of the last meeting were reviewed, with comments as follows:

Louise Wilson asked whether there was any progress on developing KPIs for the domestic market. Dan Wolfe explained that a step forward has been engaging with Barclaycard, which can provide customer transaction analytics. The Board will return to KPIs in item 3a.



Sir Michael Stevens observed that several of the outstanding actions did not have completion dates. The list will be amended to correct this.

2. Monitoring performance

2.1 Chief Executive's report

John Barnes and Graham Josephs gave an update on the current status of discussions with the Trade Unions regarding closure of the DB pension scheme. Carole Souter asked that consideration was given to 're-engaging' with staff involved in the dispute, once the process had concluded. Graham Josephs confirmed that this was already being done.

Adrian Phillips updated the Board on the progress of the works at Hillsborough Castle. Work is on track as per the latest programme, but there is still much to do. The team is focussed on delivering the lower visitor facilities – if necessary the site can open without the upper visitor facilities. Jane Kennedy asked whether there was flexibility in the fit out such that, for example, the site could operate with mobile IT systems if they cannot be installed in time. This is being considered. Bruce Carnegie-Brown queried whether there was flexibility in the public programming. There has been an element of public programming in place for some time, and we expect to have children's activities taking place in the learning centre at the opening. The Board noted that Carole Souter and Jane Kennedy will visit the site shortly to review progress.

The Board acknowledged the acquisition of three mourning bodices belonging to Queen Victoria and a pair of dresses worn by Her Majesty the Queen and Princess Margaret; the acquisition of which they had approved since the last meeting. Adrian Phillips alerted Trustees to a further potential acquisition of a travelling bed purported to be used by Queen Victoria as a child. Trustee will receive a formal proposal shortly. All acquisition proposals will in future include a summary of the position of the acquisition budget.

John Barnes brought the annual update on fundraising compliance to the attention of Trustees. The Board noted that HRP voluntarily subscribes to the Fundraising Regulator; that during the year HRP did not retain the services of any 'professional fundraiser' (a paid third party agent acting on HRP's behalf) or a 'commercial participator' (a company fundraising for HRP's benefit) and that HRP had received no complaints about its fundraising activity.

2.2 Financial management report

Sue Hall reported that visit numbers had recently been tracking favourably, but palace visits are below budget for the year to date. Half of the below-budget operating expenditure is due to payroll. Project spend is behind budget, mainly due to Hillsborough Castle. Full year spend is expected to be as per the operating budget.

Sir Michael Stevens and Louise Wilson noted that the functions and events income at Hillsborough Castle is substantially less than



budget, and questioned whether there are implications for the longer term business there. Sue Hall explained that this has been reviewed and that the team is currently exploring how, instead, larger events can be accommodated in the gardens.

3. Strategic Framework

- 3.1 John Barnes explained the new Strategic Framework, which includes a new cause, guiding principles and strategic aims. This is all captured on the 'strategy-on-a-page'.

The new cause is being rolled out across the organisation through a series of workshops and a social learning tool. In parallel, HRP will consider the external expression of cause.

The guiding principles set out the things that we want people to notice about HRP. Each of the aims includes three-year priorities. The link between the cause and the strategy is expressed through our ambition. This is yet to be fully defined.

A key piece of forthcoming work is to consider how best to measure impact and put KPIs in place.

Staff have the next 4-5 months to engage with the new cause, with a further version being available for discussion at the Trustees' strategic session in September.

The principles and aims were welcomed by the Board. Further attention should be paid to the wording of the cause itself. Trustees suggested using language that is distinct from the previous cause and revisiting the intent to provoke change.

Trustees discussed the difficulty of measuring impact, and of articulating an ambition that is measurable. Sue Wilkinson explained that impact can be measured and is happy to assist with this work.

Trustees asked whether staff are clear how their work plans will fit into each of the strategic aims. John Barnes explained that, in future, departmental plans will be organised to link into the aims.

Trustees also queried what is meant by 'greater reach'; whether this would include harder to reach audiences and whether greater accessibility could be achieved within the current 'paid for' visit model.

In summary, the Chairman acknowledged that development of a new cause and strategic framework was a journey, and that the Board felt that the current iteration of the cause, principles and strategic aims were in the right direction. It is understood that the wording of the cause will change as it is discussed further across the organisation and through the development of an external expression of its meaning.

4. Operating Plan

- 4.1 Trustees received the Operating Plan 2019-22 and Operating Budget 2019/20. This had previously been presented, in draft, at



the November meeting and had been discussed by the Audit and Risk Committee in December.

Acknowledging that HRP engages with a wide audience, John Barnes agreed to review the description of customers as ‘guests’.

Noting the strategic framework that had just been presented, John Barnes explained that this structure would be rolled out as a way of preparing and presenting future Operating Plans and Budgets.

Bruce Carnegie-Brown noted the need to re-engage with donors, and that therefore Campaign III needed to take shape as soon as possible. Dan Wolfe will discuss this with him. The Chairman confirmed that the process of seeking a new Campaign Board Chair was ongoing.

Louise Wilson queried whether price elasticity had been tested. Sue Hall explained that this happens throughout the year, with seasonal and event-based offers. A big test had been the online discount offered for Kensington Palace, which suggested that choice is more of a driver to customers than price. However, HRP pricing is always tested against other attractions. Ajay Chowdhury asked whether HRP is looking at dynamic pricing. This has been done in a small way with peak and off-peak pricing at Kensington Palace, and the ticketing system now has the capacity to do this, but still the majority of tickets are advance-purchase. Dan Wolfe further explained that convenience appears to be a big driver for HRP’s customers, and hence pricing on the day does not appear to be a key motivator, although we are keen to understand the opportunities. In terms of trade discounts, Sue Hall explained that there are currently too many, and that HRP aims to deal directly with more tour operators to improve yield.

Lord Houghton questioned whether the plan was too optimistic. Sue Hall explained that full planned expenditure is shown, however that a proportion of this was ‘elective’ (i.e. programme and project spend) and could be flexed accordingly. The plan also does not yet show any donor income through Campaign III.

Sir Michael Stevens queried the apparent reduction in public engagement and digital programme spend. Sue Hall explained that some of the costs had been moved out of programme spend into operating expenditure, and that overall budgets remained in line with the previous year. Sir Michael also commented that he was pleased to note the real increase in planned maintenance, although could not easily identify spend on ‘big moments’. This is because the big moments are outside the Operating Plan period.

The Board endorsed the Operating Budget 2019/20 and noted the plans for 2020-2022.

5. Hampton Court Core Story

- 5.1 The Board received a presentation on the Hampton Court Core Story from Aileen Pierce, which described the proposition to ‘immerse yourself in the greatest and most authentic Tudor experience in the world’. Several suggestions were made by the Board including: the need to emphasise ‘Tudors’ in marketing; how



to make the most of Elizabeth I's dress; the link with Cardinal Wolsey; and recognising the break from Rome.

6. Orangery New Build update

- 6.1 The Board received a presentation on the latest plans for the Orangery New Building at Kensington Palace, including how the team is addressing the learning strategy for Kensington Palace, catering and functions and events provision and operational requirements.

7. Board effectiveness review and governance audit

- 7.1 The Board discussed the results of the Board effectiveness review. The proposed policy and procedure actions were agreed; the clarifications noted and the findings of the governance audit also noted.

Trustees agreed that a point emerging from the review about the strategic/ operational dimension of the Board warranted further exploration. The Executive Board will consider its comments and return to the Board for discussion.

[Ajay Chowdhury left the meeting].

8. Subcommittees

- 8.1 *Audit and Risk Committee*

The Board noted the minutes of the December Audit and Risk Committee, which were verbally reported at the January Board meeting.

9. Procedural matters

- 9.1 *Acquisition*

The Board approved the acquisition of a Portrait of Prince William Augustus as a gift via the Acceptance in Lieu Scheme.

- 9.2 *Register of Interests*

The Board noted the changes to the Register of Interests.

***Next meeting: Wednesday 20th March 2.30pm, Tower of London.
Followed by an informal dinner for Trustees.***

