

HISTORIC ROYAL PALACES

Minutes

Meeting name: Board of Trustees

Time and Date of meeting: 9.30am, 13th January 2021

Location: Microsoft Teams

Attendees: Rupert Gavin (Chairman), Zeinab Badawi, Lord Houghton, Jane Kennedy, Tim Knox, Carole Souter, Sir Michael Stevens, Robert Swannell, Jo Twist, Sue Wilkinson, Michael Wood

In attendance: John Barnes (JB), Nicola Andrews, Jane Crowther, Sue Hall (SH), Andrew Jackson, Tom O'Leary, Adrian Phillips, Dan Wolfe (DW), Lorna Hudson, Rosie Baines (minutes)

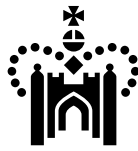
Apologies: Sarah Jenkins

1. Opening Business

- 1.1 The Chairman welcomed Trustees and the Executive to the meeting. Regarding conflicts of interest, Jane Kennedy is a Senior Partner of Purcell. Purcell has been selected as the architect for the build of the Orangery Learning Centre at Kensington Palace. Tim Knox is partner of Todd Longstaffe-Gowan and Secretary of Todd Longstaffe-Gowan Ltd, which provides landscape design services for HRP. Todd Longstaffe-Gowan is also an Honorary Patron of HRP. Carole Souter is Chair of the National Trust/University of Oxford Partnership Board and is chairing the Oriel College Commission into the Rhodes legacy, of which Zeinab Badawi is a member. Robert Swannell is Chairman of UK Government Investments.
- 1.2 Approval of minutes: amendments were agreed to sections 4 and 7.3 of minutes from 18th November. The amended minutes were approved.

2. Monitoring Performance

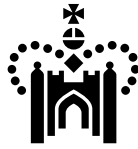
- 2.1 Operational Position: John Barnes introduced the item – paper was taken as read.
 - 2.1.1 Since the paper was submitted, a further lockdown has begun. A decision has been made to open only HCG gardens on weekends, and not HCP gardens. We are hopeful that we will be able to reopen some sites for Easter, given the



HISTORIC ROYAL PALACES

government's current intention that vaccination will be being offered to all vulnerable groups by April. However, we have decided that the Life Through a Royal Lens exhibition (due to open at Kensington Palace in March 2021) will be deferred into 2022. The summer 2021 Kensington Orangery exhibition is still planned to open in June.

- 2.1.2 Given our current reduced activity, there are currently no urgent issues resulting from transport/Brexit restrictions. Trustees noted that rules of origin are becoming much more important for imported goods, especially in the context of reports of Chinese treatment of Uighur labour - we should carefully consider this given that much of our retail stock comes from abroad. DW confirmed that this will be addressed in this year's retail range review.
 - 2.1.3 Trustees asked for clarification on the nature of the Northern Ireland Office's enquiry about use of rooms at Hillsborough Castle and Gardens. It was confirmed that communication is currently informal on the matter, and Trustees will be updated if any formal communications or requests are received.
 - 2.1.4 Trustees discussed the scope and cost of the presence of the Military Guard at the Tower of London, and whether there is appetite for a re-negotiation of this arrangement. It was observed that originally the Military Guard was appointed in a discretionary and ceremonial post, and that over time this has become more of an integral part of the Tower security arrangements – any further consideration of this question should take this evolved remit into account.
- 2.2 Financial Position: Sue Hall introduced the item – paper was taken as read.
- 2.2.1 Our position is favourable against the forecast, as of the end of December. It should be noted that since then, the Palaces and Gardens have been shut and so visitor income will not be ahead of forecast for final quarter. SH highlighted that since the paper was sent, work has been done that reveals a slightly more optimistic view of our year end position, with outturn on I&E basis around £3m better than the £36m deficit stated in the paper. We are planning to further increase use of the furlough scheme now that schools are closed, according to government guidance on furloughing staff with caring responsibilities.

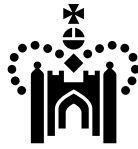


HISTORIC ROYAL PALACES

- 2.2.2 Trustees queried whether we are now effectively using data from previous reopenings, to model the optimal way to reopen again – utilising staff resources effectively to maximise financial outcomes. SH confirmed that this is the case. The decisions to reopen HCG gardens but not HCP gardens were cited as cases which benefited from this modelling.
- 2.2.3 Trustees agreed that they were satisfied with the updated forecast, and confident that we are moving in the right direction. It was cautioned that we will still require great agility in 21/22, and that controlling operating costs should remain a focus.

3. Operating Plan and Budget 2021-2024

- 3.1 John Barnes introduced the item – paper was taken as read.
- 3.2 Coming at a moment of ‘reset’ for the organisation, the Operating Plan is relatively lean this year. The plan aims to set a trajectory of recovery for HRP, and is focused on describing our priorities for change while leaving room to be agile as circumstances require.
- 3.3 JB observed that there are lessons to be learned regarding our long-term resilience. For example, our legal status has affected the speed with which we’ve been able to secure finance. The Audit & Risk Committee will work on this with the Executive Board later in the year, as well as considering our future plans for building and holding reserves.
- 3.4 The Trustees considered that the Cause’s relevance has evolved in view of the events of the past year. It was noted that our balance between vision, ambition and a realistic view should be clearly communicated especially in public-facing documents.
- 3.5 The Operating Plan clearly identifies options available to the organisation if further agility is required in 21/22. The Trustees agreed that this was crucial, in particular because the current projections on cash and investments remain relatively low. For planned Major Projects that will rely heavily on lifting of restrictions and return of visitors, it was agreed that key decision points should be set. Setting these decision points should take into account our projections for securing donations for such projects.

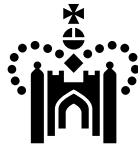


HISTORIC ROYAL PALACES

- 3.6 The Trustees agreed that now is a crucial time to focus on digital strategy, both given the strong movements towards digital engagement in general, and given the risk of other future disruptive events requiring a more diversified offer. JB confirmed that there will be a new Digital and Technology working group of the Executive Board. Jo Twist will discuss with Executive Board members how Trustee expertise can be best utilised in this area.
- 3.7 Trustees discussed the likely future interaction of trends in sustainability, digital engagement and international travel, accelerated by the pandemic. The speed with which these trends continue to grow in the coming years will be highly relevant for HRP, given our current visitor offer. Trustees suggested that this should be looked at more closely, and that we should aim to be leaders in areas such as sustainability.
- 3.8 The Operating Plan will be reviewed in the context of Trustees' comments. Answers to the Trustees' questions, and the reviewed plan will be circulated either out of committee or at the next Trustees Meeting.

4. Governance Update

- 4.1 Rupert Gavin introduced the item – paper was taken as read. The Nominations committee have relooked at the subject following November's Trustee Meeting, and present proposals for approval.
- 4.2 Trustees discussed the likely effect of the changes on the executive. They noted that while Committees' remits would expand (and Terms of Reference would be formally reviewed), the burden on the executive would be lessened by the reduced number of total meetings from 19 to 14 per annum. Other suggested amendments would also assist in this regard, such as holding committee meetings virtually. JB confirmed that in addition, his presence on some committees would be delegated to members of the Executive Board, enabling the load to be shared.
- 4.3 The Board discussed the suggestion that all Trustees join at least one sub-committee, working group or development board. It was agreed that this should be an effective method of avoiding Trustees feeling detached from the organisation in between Board meetings. It was also suggested that Trustees



HISTORIC ROYAL PALACES

should consider moving between sub-committees during their tenure, as long as this does not result in losing crucial skills from individual groups. All Trustees were reminded that they are also always welcome to attend sub-committees where they are not a formal member.

- 4.4 It was noted that an Inclusivity working group will be created, instead of a sub-committee of the Board. This reflects the Board's intention that this subject should grow into an inherent focus for all areas of the organisation, at which point the working group will disperse, rather than being permanently contained in the remit of a sub-committee.

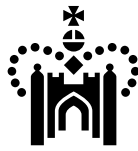
- 4.5 Trustees approved the proposals.

5. CRF Loan Resolution

- 5.1 John Barnes introduced the item.
- 5.2 We will receive the loan as one lump sum before the end of March and will begin accruing interest immediately. Trustees noted that the observer status has been under discussion and is now agreed, although it remains to be decided whether the observer will be from ACE or DCMS.
- 5.3 Trustees gave their approval to the resolution granting authority to Rupert Gavin, John Barnes and Sue Hall to execute the Repayable Finance Agreement and the side note on observation.

6. Acknowledgement of Major Donors

- 6.1 Dan Wolfe introduced the item – paper was taken as read.
- 6.2 The proposal is to amend the top tier of Major Donor recognition, from membership of Court Leadership Circle, to title of Fellow. This change would



HISTORIC ROYAL PALACES

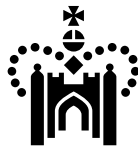
ensure more tangible recognition and align with the expectations of major donors, as well as being widely understood externally.

- 6.3 Trustees discussed the implications of bestowing this title, if the donor is the figurehead of a foundation or similar. DW confirmed that in the case of a change of figurehead, there would not be an automatic transfer of title. However, if continued donations were forthcoming there would be case-by-case consideration of whether a Fellowship would be offered to another associated person.
- 6.4 Trustees approved the proposal.

Next meeting: 20th April 2021

Meeting Actions

Item	Action	Whom	Status
2.1.3	JB to confirm the detail of Northern Ireland Office's enquiry about use of rooms at HCG.	NA	Update at April 2021 meeting
2.1.4	AJ to give an update on military guard	AJ	Complete – covered in CEO report
3.3	ARC to work with EB to look at lessons learned regarding long-term resilience	JB	Complete: will be held as an agenda item for a future ARC meeting.
3.5	Key decision points for Major Projects to be set, taking into account our projections for securing donations, lifting of restrictions, and return of visitors.	JB	Update at April 2021 meeting
3.6	JT to be invited to join Technology and Digital working group	JB	Complete: JT has been invited to join



HISTORIC ROYAL PALACES

3.7	EB to look at the likely future interaction of trends in sustainability, digital engagement and international travel.	TO'L	Complete: Commitment to Digital Engagement strategy as part of operating plan
3.8	Reviewed operating plan and budget to be re-circulated	SH	Complete: added to April 2021 Agenda
4.3	Review membership of subcommittees to make good use of trustee skills.	RG	Complete: New membership of sub-groups has been confirmed
4.4	Inclusivity Working Group to be created.	ZB/SJ/ZW	Complete: Group has been created, first meeting has been held.
5.3	Repayable Finance Agreement to be executed	RG/JB/SH	Complete.