



Historic Royal Palaces is the charity that looks after:

**Tower of London
Hampton Court Palace
Banqueting House
Kensington Palace
Kew Palace
Hillsborough Castle
and Gardens**

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 17 July 2019**

Location: **Apt 39, Hampton Court Palace**

Attendees: Rupert Gavin (Chairman), Zeinab Badawi, Bruce Carnegie-Brown, Ajay Chowdhury, Lord Houghton, Jane Kennedy, Tim Knox, Carole Souter, Sir Michael Stevens, Sue Wilkinson, Professor Michael Wood.

In attendance: Nicola Andrews, John Barnes, Rachael Gilleard, Tom O'Leary, Adrian Phillips, Caroline Rand (for Sue Hall), Dan Wolfe, Aileen Pierce (item 4), Tim Powell (items 5)

Apologies: Sue Hall

1. Opening business

- 1.1 The Chairman welcomed Trustees to the meeting, noting that it was Ajay Chowdhury's last.
- 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 Learning Centre 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 meetings of 20 May, 17 June and 27 June were approved. The Board noted that the financial statements had been laid before Parliament.

2. Monitoring performance

2.1 *Chief Executive's report*

From the June report, John Barnes drew Trustees' attention to the new quarterly acquisition report, noting that it contained all acquisitions, not just those brought to the Board for approval.

Sir Michael Stevens asked how HRP was measuring the successful opening of Hillsborough Castle and Gardens. John Barnes explained that visit numbers are not yet at budgeted levels, but at this point it was most important to ensure that visitor satisfaction



was high and that Hillsborough Castle and Gardens is positioned as a must-see attraction.

The Board discussed recent publicity surrounding receipt of donations by other cultural institutions, potentially with negative associations. Dan Wolfe assured the Board that he is confident in HRP's due diligence processes for receipt of donations. However, this is being considered as part of a current review of the donations policy. It was noted that this issue is also of relevance for the investment policy.

Regarding the news that some cultural institutions are declaring a climate emergency, John Barnes explained that the Executive Board would shortly be considering HRP's approach.

From the July report, Jane Kennedy thanked the team for the Ruben's ceiling symposium which she greatly enjoyed.

The Board was pleased to note that the London Living Wage is now being paid to all permanent staff employed by CH&Co. The Chairman asked that, in due course, there is an assessment of whether staff quality and service has improved as a result of the change.

The Board also noted that the Hampton Court Palace Garden Festival attracted more visitors than last year. John Barnes commented that, in his opinion, the offer had improved, but there were still some aspects of the Royal Horticultural Society's agreement with HRP yet to be implemented.

2.2. Financial performance

The Board noted the monthly management information report. Ajay Chowdhury queried why marketing and PR spend was down on budget. This is a phasing issue related to exhibition opening.

Sir Michael Stevens queried the below-budget retail performance. This is partly due to the delayed implementation of a new retail system and stock problems. John Barnes explained that he had visited the warehouse to discuss stock issues and was reassured by the warehouse manager that this is now in hand.

Ajay Chowdhury had held a productive meeting with Gina George and provided examples of opportunities to be explored.

In a question relating to delays in implementation of systems, Sir Michael Stevens asked whether there was sufficient resource in the IS function. John Barnes explained that in his opinion there was, but that the IS team needed re-structuring and staff re-focused on priorities. An IS strategy has been discussed with the Executive Board; this requires further work and will be reviewed again in September.

Sir Michael Stevens pointed out the below-budget performance of Hillsborough Castle and Gardens. Nicola Andrews explained that a working group has been set up to deal with immediate, short and longer term actions to increase revenue and implement efficiency measures. Attendance at the Food Festival, the first of its kind at the site, was encouraging.



3. Give the Palaces a future as bright as their past

- 3.1 The Board received the annual update on the progress in the care of the buildings, interiors and collections and gardens and estates.

With regard to the frequency of the State of the Estate survey, Jane Kennedy explained that in her experience for an estate like HRP's, a ten year review period was appropriate, with monitoring at regular intervals in between.

The Chairman asked for an indication of which projects had been delivered on time and on budget.

The Board was pleased to note the investment in mechanical and electrical services. Jane Kennedy also noted the provision of changing places and accessible toilets. These are being provided wherever possible.

Given the metrics provided, Sir Michael Stevens queried whether there was any concern over the condition of the displayed collection in comparison to the external building fabric. Adrian Phillips explained that staff are comfortable with the condition of the displayed collection. The KPIs will be reviewed in the next survey, and we will assess whether they are at the appropriate level.

The Board recorded its thanks to the Palaces and Collections department for all of its work over the last year.

4. Touring exhibitions

- 4.1 The Board received a briefing on the feasibility of creating a touring exhibition, and a request for permission to open negotiations for a collection of items that will form the exhibition.

The Board considered that the business case for acquiring the collection should be evaluated separately from that for the touring exhibition. Tom O'Leary explained that the touring exhibition costs had been reviewed in great detail, but that income was less certain because it was not possible to discuss the proposition with potential venues until the collection was secured.

The Board discussed various aspects of the proposition, including the strategic value of the collection to HRP in the longer term, the potential for domestic as well as international touring and the timing of the exhibition.

The Chairman asked that the Board be given further information to demonstrate the value of the collection in its own right and, separately, the business case for the touring exhibition. Subject to agreement to proceed by the Board outside of committee, it was agreed that the Executive could open negotiations to purchase the collection. The final decision to proceed with the purchase will be brought back to the Board.





5. Immersive experience

- 5.1 The Board received a proposal to create an immersive experience in the Tower Vaults, and to sign non-binding head of terms with the commercial partner that will create it.

The Board discussed various aspects of the proposal, including the offer and the target audience, the partner and their previous work, the proposed business model and the business case.

The Board agreed that it would be helpful to visit to the show currently being staged, as a better way of understanding the product and its potential application to HRP.

The Board agreed to allow the Executive to explore the proposition further and for the Chairman and CEO to sign non-binding heads of terms.

Tim Knox left the meeting.

6. Future moat activity

- 6.1 The Board received a proposal for the future use of the moat. This anticipates investment in moat infrastructure to increase future capability.

The Constable of the Tower of London supported the installation of infrastructure to enable further use of the moat and agreed that there was scope for a more ordered approach to staging events in it.

The Board agreed that there was an advantage to planning a well-order series of events, and that doing so could help to improve the environmental condition of the moat.

Jane Kennedy queried whether re-flooding the moat had been considered. John Barnes explained that it had been examined in the past and the costs were prohibitive.

Carole Souter welcomed the lead-in time proposed for each event, noting that the Board required time to consider proposals as they developed.

The Board supported the direction proposed in the paper, and the need for enabling infrastructure.

7. Subcommittees

- 7.1 *Remuneration Committee*

Lord Houghton gave a verbal report of the last two Remuneration Committee meetings, where Directors' bonuses for the previous year and forward objectives for 2019/20 had been agreed. The Committee had also agreed that Directors' pay would increase in line with the pay award for staff.

John Barnes informed the Board that a final offer for the pay award has been made to the Trade Unions, which are currently balloting their members.

8. Procedural matters

8.1 *Investment decision for Kensington Palace Queen's Apartments electrics*

Adrian Phillips explained that the target cost received from the contractor was higher than the budget estimates reported. Therefore, the Board was not now being asked to approve the investment decision. Further work is being carried out and an investment decision will be tabled in September.

8.2 *Investment decision for Kensington Palace Orangery Learning Centre*

The Board approved the investment decision for stage two of the Orangery Learning Centre and the palace accommodation upgrades, in the sum of £7.4m plus VAT (£8.4m) plus a client provision of £0.65m plus VAT (£0.74m).

8.3 *Hillsborough Castle and Gardens overflow car park*

The Board noted that the Executive Board had approved a new project to create an overflow car park at Hillsborough Castle and Gardens at a cost of £375k plus VAT (£425k). The Board queried whether this was necessary at this point and Nicola Andrews explained that it is for the following reasons: Transport Northern Ireland is concerned about traffic safety on the A1 and will take action against HRP if there are any incidents, using park and ride facilities will cost c.£176k per year and event partners require sufficient on-site parking for their events – so attracting them without this overflow capacity is difficult.

8.4 *Investment decision for electrical mains infrastructure and Hampton Court Palace*

Adrian Phillips explained that pricing negotiations were ongoing, although he was confident that the final sum would be close to the £1,150k plus VAT (£1,304k) stated in the report. In the event that this is not the case, it will be necessary to re-tender, in which case the decision will be brought back to the Board. The Board agreed this approach.

9. Organisation and governance

9.1 *Collections Management Policies update*

The Board noted the reason for the revisions to the collections management policies and approved the revised policies. This included amendments to the financial approval limits for acquisitions; the threshold for Board approval will increase to £35k (from £20k), subject to the acquisitions falling within the annual acquisitions budget. The threshold will be reviewed in 12 months.



9.2 *Ambassadors for Historic Royal Palaces*

The Board approved a proposal to renew Sir Trevor McDonald as an HRP Ambassador, and also to appoint Professor Sir David Cannadine to the role. The Board discussed how the role fits with those of Honorary Member, Patron etc.

9.3 *Register of interests*

The Register of Interests was noted.

9.4 *Annual Review*

The Board received the near-final draft of the Annual Review, noting that this year, taking the opportunity afforded by the change to the cause and strategic aims, we are experimenting with the format.

10. **Any other business**

10.1 The Chairman informed the Board that a new Trustee has been selected to replace Louise Wilson. The formalities are being concluded by the DCMS, and announcement will be made in the next couple of weeks.

10.2 On behalf of the Board, the Chairman recorded his thanks to Ajay Chowdhury for his service as a Trustee over the last three years.

The next meeting will take place on 17 and 18 September, at the New Armouries, the Tower of London. There will be a farewell dinner for Bruce Carnegie-Brown on 17 September.

