



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: **Monday 20 May 2019**
 Location: **New Armouries Meeting Suite, Tower of London**

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

In attendance: Nicola Andrews, John Barnes, Rachael Gilleard, Sue Hall, Adrian Phillips

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 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 From the minutes of the previous meeting, the Board noted that Sue Wilkinson has agreed to become the Trustee point of contact for safeguarding issues.
- The minutes of the last meeting were approved.



2. Monitoring performance

2.1 *Chief Executive's report*

From the April report, John Barnes informed the Board that there has been sufficient positive feedback on the proposition for a touring exhibition of dress to further develop the proposal. A business case will be brought to Trustees in due course. The Board encouraged the team to consider sponsorship opportunities.

Noting the partnership with Hobbs was coming to an end, Zeinab Badawi encouraged the executive to consider similar future relationships, with an assessment at the outset of what the expected benefits would be.

Jane Kennedy questioned the financial assessment of the Kew Pagoda project and whether construction management was an appropriate model for such projects. Adrian Phillips will discuss this with her.

The Board congratulated staff on the interesting ideas coming forward through the Bright Ideas initiative. Sue Hall explained that it will be re-run later in the summer.

From the May report, John Barnes noted that the HR Director, Graham Josephs, will be leaving HRP at the end of the year. The search for his replacement has begun.

John Barnes told Trustees that brand agency, Superunion, had been appointed and would be giving an initial presentation to Trustees in July.

Trustees noted that Grant Thornton had evaluated HRP's retail offer and operation. The full report is available to Trustees and separate briefings on the findings will be arranged, as required. The Board will have the opportunity to discuss the retail offer as part of the annual retail and catering update.

Zeinab Badawi questioned whether 'The Black Victorians' dance and video project had gone beyond the stereotypes associated with the times. The Board agreed that her input would be extremely valuable to the team, and this will be arranged.

The Board thanked staff for delivering an excellent event in the King's Presence Chamber dinner.

3. Financial performance 2018/19 and updated Operating Budget 2019/20

- 3.1** Sue Hall explained that there had been a slight alteration to the interest figure listed in the paper, but other than that there were no changes from the sums previously presented. She also drew Trustees' attention to the fact that no Campaign income had yet been assumed for 2019/20.



The majority of the carryover spend relates to programme expenditure, in particular delays to the construction programme at Hillsborough Castle and Gardens.

On questioning from Sir Michael Stevens about whether the consistent year on year carryover implies that HRP is over-estimating annual spend, Sue Hall explained that moving the Operating Budget sign off to January should improve this. Carole Souter noted that tighter management of contracts was required, to ensure that contractors delivered on time.

The comments above notwithstanding, Sir Michael Stevens congratulated the Executive on achieving an operating surplus £4m ahead of budget.

The Board approved the revised Operating Budget 2019/20, with the minor changes noted.

4. Reserves and designations 2019/20

- 4.1 Sue Hall explained that the designations presented were an indication of fund allocation; there is always a choice, in year, to change this. Trustees approved the proposed designations, noting that some minor changes may occur once 2018/19 figures are finalised.

5. First few weeks of 2019/20

- 5.1 In aggregate, visits are marginally above budget, although there are some variations between palaces.

Trustees discussed the complexity of categorising different types of visit. This is being further discussed by the Executive, and a full definition will be given to the Board.

6. The opening of Hillsborough Castle and Gardens

- 6.1 Nicola Andrews gave a presentation on the opening highlights and operational performance of Hillsborough Castle and Gardens in the first few weeks. There has been extensive publicity and excellent visitor feedback; this must now be capitalised on to drive visits.

7. Hillsborough Castle and Gardens project cost update.

- 7.1 The Board received a report on the current estimate of cost for the project. The Board agreed to approve the settlement of contracts at an overall project cost within £22,500,000 plus VAT (£25,515,000).

8. Investment decision for Orangery conservation

- 8.1 The Board approved the request to invest £1,115,000 plus VAT (£1,264,000) plus an optimism bias client provision of £100,000 gross for the conservation of the Orangery at Kensington Palace.



9. Investment decision for stage 1 of the Orangery Learning Centre

- 9.1 The Board approved the request to invest £648,000 plus VAT (£734,842) for the first stage of works to the Orangery Learning Centre.

John Barnes explained that the conservation work and new build work have been de-linked, in order to ensure that the Orangery is available for use for the 2021 exhibition.

10. Board effectiveness review

- 10.1 In response to the Executive Board's comments on the relationship between the Executive and Trustees, the Board suggested the following:

- make time for informal discussions between the Executive and the Board;
- create the opportunity for socialising between the Executive and the Board;
- that staff should feel encouraged to accept that where the Board has not given detailed comments, it has still given the issue due consideration.

Bruce Carnegie-Brown and Sir Michael Stevens asked how the Board can be assured that the system for whistleblowing does not discourage staff from using it, and that the Executive is creating a culture where people feel comfortable about raising concerns. John Barnes will discuss this with Graham Josephs.

11. Trustees' strategic session

The Board discussed the topics proposed for their strategic session in September. Bruce Carnegie-Brown recommended that this included an overview of fundraising trends in the sector. Lord Houghton recommended that the session consider the impact of the operating context on HRP.

12. Subcommittees

Audit & Risk Committee

The minutes of the committee were noted and the Board approved the revised Terms of Reference.

Investment Committee

The minutes of the committee were noted.

Nominations Committee

The minutes of the committee were noted and the Board ratified the new process for appointment of the Constable of the Tower of London. The Chairman updated Trustees on the progress of the appointment of Trustees to replace Louise Wilson and Ajay Chowdhury.



13. **Notice of the Annual General Meeting of HRPE Ltd**
The Board noted the report and nominated John Barnes to represent HRP's interests at the AGM of HRP.
14. **Conduct of meetings entirely by telephone participation**
The Board agreed a regulation that it may conduct Board meetings entirely by telephone participation.
15. **Appointment of a Deputy Chairman**
The Board approved the recommendation that Sir Michael Stevens be appointed as the Deputy Chairman, effective immediately. This follows the resignation of Professor Sir David Cannadine as Trustee, earlier this year.
16. **Register of interests**
The register of interests was noted.
17. **Any other business**
The Board offered its congratulations to Lucy Worsley on being part of the team that won the Specialist Factual BAFTA, for *Suffragettes*.
Recognising that it was her last meeting, the Chairman thanked Louise Wilson for her six years of service as a Trustee, and for all of her support and commitment over this time.

Next meeting: The next meeting will be at 4.10pm for those dialling in after the ARC meeting at 2pm.

The following meeting will be at 9.30am on 17 July at Hampton Court Palace, followed by a leaving lunch for Louise Wilson in the Little Banqueting House.

