

HISTORIC ROYAL PALACES

Minutes

Meeting name: Board of Trustees

Time and Date of meeting: 9.30am, 20th April 2021

Location: Microsoft Teams

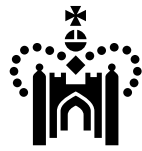
Attendees: Rupert Gavin (Chairman) (RG), Zeinab Badawi (ZB), Lord Houghton, Sarah Jenkins (SJ), Jane Kennedy, Tim Knox, Carole Souter (CS), Sir Michael Stevens, Robert Swannell, Jo Twist, Sue Wilkinson (SW), Michael Wood (item 4 onwards)

In attendance: John Barnes (JB), Nicola Andrews, Jane Crowther, Sue Hall (SH), Andrew Jackson, Tom O’Leary (TO’L), Adrian Phillips, Dan Wolfe, Lorna Hudson (LH), Rosie Baines (minutes), Laura McCorry (item 6 only)

1. Opening Business

- 1.1 The Chairman welcomed the 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 The minutes from the meeting of 10th January 2021 were approved, with one amendment to the name of the Commission into the Rhodes legacy in the declaration of conflicts of interest.
- 1.3 Actions from the last meeting were discussed. There is no further update into the NIO’s enquiry regarding rooms at HCG. All other actions were completed. Trustees queried the response to the action regarding Sustainability, Digital Engagement, and International travel. JB confirmed that we will look to be more specific regarding sustainability later in the year when we have had the chance to analyse our current carbon emissions.

2. Monitoring Performance



HISTORIC ROYAL PALACES

2.1 CEO's update

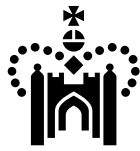
- 2.1.1 The paper was taken as read. JB noted that since the last meeting, an interim CEO report has been provided to Trustees. Highlights from this report included details of our success in securing grants and donations in the past year, and an update on the continued reduction of furlough through the end of 20/21.
- 2.1.2 The Trustees congratulated staff on the complimentary letter from Historic England, demonstrating commitment to the care of the palaces throughout the uncertainty of last year.
- 2.1.3 An explanation of the ZSL Procurement arrangement will be brought to the Audit and Risk Committee, to establish parameters for this and any other potential future agreements, analysing the benefits vs risks to the charity.
- 2.1.4 The Trustees discussed recent communications from the Charity Commission regarding Trustees' responsibility to ensure commissioned research falls within the aims of the charity. All Trustees agreed that they are confident in our robust approach to research decisions. It was noted that a statement on this subject has been posted on the website. LH will provide this to the Charity Commission as emblematic of our approach.

2.2 Management Accounts

- 2.2.1 The paper was taken as read

3. Operating Plan and Budget

- 3.1 Our updated Operating Plan reflects the most likely 2020-21 year-end position. We will end the year with around £6m smaller deficit than predicted, of which £1m reflects project spend which will 'carry over' to 2021-22. Other reasons for the difference are increased furlough income through the winter/spring extension, and a credit from MoD.
- 3.2 There has been no further news on the third round of Cultural Recovery Fund grants. We are hoping to be eligible to apply for this when more details are released.
- 3.3 Trustees queried which document had been submitted to CRF – JB confirmed that the draft Operating Plan which Trustees approved in January was submitted, with the



HISTORIC ROYAL PALACES

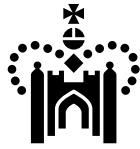
final version due to follow when approved by Trustees. While our forecasts have now changed from what was budgeted in the Operating Plan due mainly to the extended lockdown and later reopening in the Government's roadmap it is needed as part of CRF documentation so that our baseline is clear.

4. April Reforecast

- 4.1 This reforecast was presented as a reflection of changes since January – particularly the continued closure of the Palaces in April/May due to the Government's Roadmap and the removal of all overseas visitors in the assumptions. Trustees queried the reasoning behind presenting a reforecast at this point rather than updating the Operating Plan before it is finalised. The Executive responded that the Operating Plan remains the baseline, especially for CRF purposes, while our reforecasting will continue to develop through the year based on most likely outcomes. For the avoidance of doubt, we will work to the budgets contained in the reforecast. It was agreed that RG, MS, JB and SH will continue this discussion following the meeting.
- 4.2 As well as reduced income in the reforecast, there is also reduced expenditure, and the rephasing of major project spend. The reforecast is prudent, given the continued uncertainty around major events planned this year, such as the RHS Flower Show and other festivals. Trustees noted the more favourable cash position in the reforecast, and suggested that if this seems likely, the Executive could consider bringing forward some activities which had been deferred, such as Digital Engagement.
- 4.3 Trustees questioned the Executive on their approach to visitor-facing output in the future, given the likely reduction in funds and staffing resource to support the programme. JB noted that with the reduction in headcount, and impact of the past year on remaining staff, the focus must be on providing public and financial benefit when making decisions on programming.

5. Tower Platinum Jubilee Investment Decision

- 5.1 The paper was taken as read. TO'L presented the most recent developments, including plans for the Legacy following the completion of the project, and the news that a donation to the project has been confirmed, to promote engagement with inner city schools.



HISTORIC ROYAL PALACES

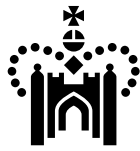
- 5.2 Trustees praised the work done on the project following feedback in January's meeting. They noted that the plan would have an impact on the long-term use of the moat, and sought reassurance that we have authority to act on this, that this plan integrates with wider Tower development plans, and that associated longer-term costs (e.g. maintenance) have been considered.
- 5.3 Trustees discussed the rich opportunities for storytelling which this project affords, and suggested that work should begin on this as early as possible encompassing Marketing and Digital Engagement workstreams, to raise and maintain positive public awareness at an early stage. This is especially vital considering internal/external communication of the project will soon begin.
- 5.4 The Campaign Board has been meeting fortnightly and has had very positive responses so far. It was noted that the importance of gardens and outdoor activity for mental health and wellbeing, should be considered in how the project is communicated to stakeholders.
- 5.5 TO'L noted Trustees' individual questions and will respond following the meeting.
- 5.6 The Trustees approved the request for £600k spend at this point. A further paper will come before the Board in September for evaluation of the project so far, and final approval of the total remaining investment.

6. Hillsborough City Deal Commitment

- 6.1 The paper was taken as read. The Trustees discussed the merits of the plan and agreed that it represented a rare opportunity for HRP to collaboratively invest in our buildings at Hillsborough, as well as benefiting from wider investment in the community and surrounding area. HRP's required contribution was agreed, although there was consensus that this should be capped in case of rising costs,.
- 6.2 The Trustees approved the request for investment.

7. Governance Matters

- 7.1 Update on Governance Arrangements – Royal Charter



HISTORIC ROYAL PALACES

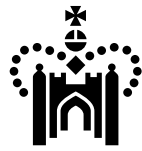
- 7.1.1 Trustees discussed Article 3 proposing an amendment to HRP's objects to reflect the evolution of the charity. It was agreed that the amendment should list 'histories' in plural rather than singular, and that JB should consider mentioning 'Monarchs, Palaces and People', as in the current version. In general, Trustees concurred that it was important to make minor amendments to the Objects to reflect our Cause, while keeping them true to the original intent and enduring for the future.
- 7.1.2 It was noted that the Charter does not cover the considerations when a Chair is appointed, for example to avoid conflicts of interest. Trustees asked JB to look into whether this is present in the governing documents of other similar organisations, or whether this is covered elsewhere such as in the job profile when an appointment is due.
- 7.1.3 It was agreed that Governance considerations would form part of the next Board Effectiveness review. RG will schedule a meeting with each Trustee to collate individual thoughts on Board Effectiveness.

7.2 Minutes of the Audit and Risk Committee

- 7.2.1 The minutes were taken as read. This year HRP received a Moderate scoring from the Annual Report and Opinion – this indicates that performance is generally good, but there are areas that should be improved in the coming year.
- 7.2.2 The Committee is seeking more information on how assurance systems will function with the new smaller size of the organisation, and smaller resource. A specific area of focus is Cyber Risk – a presentation covering this area is due in the next meeting.
- 7.2.3 The Committee continues to monitor the format and use of the Risk Register, and will encourage a shift back to strategic risks as soon as this is appropriate.

7.3 Minutes of the Finance & Investment Committee

- 7.3.1 The minutes were taken as read. A key point in the recent meeting was a challenge to management from the Committee to aim for a more substantial cash buffer at the end of 2021-22, which has been addressed in item 4 (April Reforecast).
- 7.3.2 Regarding our deployment of CRF monies, our approach to investment has been prudent, considering worst-case scenarios to ensure smooth cashflow in 2021-22 regardless of the external circumstances.



HISTORIC ROYAL PALACES

7.4 Update from the Inclusivity Working Group

7.4.1 The group had its first meeting on 13th March, with ZB, SJ, SW and CS as Trustee members. The group established that our commitment to this area is driven by our Cause, with three priorities. For our Palaces aim, to focus on overlooked and inclusive histories. For our Experiences aim, to introduce diverse narratives and perspectives, and for our Culture aim, to work towards becoming a more inclusive organisation.

7.4.2 Dr Misha Ewen has begun her role as Curator for Inclusive History. She is working on developing and broadening our inclusive histories, working with colleagues across the organisation, as well as developing a session for MA students.

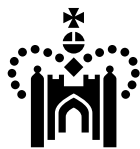
7.5 Update from the People Committee

7.5.1 The new People Committee (previously the Remuneration Committee) met shortly before the Trustee Meeting. As well as reviewing CEO and Director objectives and wider performance initiatives, the focus was to establish the approach to the planned Staff Diversity, Inclusivity and Equality review. The review will begin with a listening exercise in May/June.

8. Any Other Business

- 8.1 This meeting was Jane Kennedy's final meeting as a Trustee. The Trustees thanked Jane for her six years of service, especially in providing expertise and guidance for Major Projects. It was proposed to aim for an in-person send off in the summer following the next Trustee meeting, dependent on restrictions in place at that point.
- 8.2 DCMS have reached a conclusion regarding the extension of the Chairman's term of office, agreeing with the Chairman that the term will be extended by 12 months, to May 2022.
- 8.3 Notice was given to Trustees that the HRPe Ltd AGM will take place on 28th May – The Trustees nominated John Barnes as a representative for this meeting.

Next meeting: 30th September, 9.30am



HISTORIC ROYAL PALACES

Meeting Actions

Item	Action	Whom	Status
2.1.3	ARC to consider parameters of third-party procurement arrangements.	LH	Complete – added to agenda for next ARC meeting
2.1.4	LH to provide statement on research decisions to Charities Commission	LH	Complete
4.1	RG/MS/JB/SH to meet to confirm use of Operating Plan documents vs April Reforecast documents in governance processes	RG/MS/JB/SH	Agreed that April Reforecast and Budgets it contains are now working documents
5.5	TO'L to respond to Trustees' questions raised during meeting	TO'L	Complete – responses circulated following meeting
7.1.1	JB to revise 'Objects' amendment taking into account Trustee feedback	JB	In progress
7.1.2	JB to consider the best place to note the considerations for when a Chair is appointed	JB	Complete – this will be contained in job profile
7.1.3	RG to schedule meetings with each Trustee as part of Board Effectiveness review	RG	Complete – all meetings have been held