



ENGLISH
HERITAGE

MINUTES

MEETING TITLE	Protected Minutes of the 27 th English Heritage Trust Board Meeting
DATE	Tuesday 15 June 2021
LOCATION	Hybrid Meeting – Wood Street and Zoom
ATTENDEES	<p>Sir Tim Laurence – Chairman Sarah Staniforth – Deputy Chair James Twining – Deputy Chair Victoria Barnsley – Trustee Charles Gurassa – Trustee Professor Ronald Hutton – Trustee Sir Laurie Magnus – Trustee Ian McCaig – Trustee Kunle Olulode – Trustee Sue Wilkinson – Trustee Kate Mavor – Chief Executive Anna Eavis – Curatorial Director Sue Fisher – Development Director Lumi Holban – Head of Grants and Trusts Kate Logan – Historic Properties Director Mark Stuart-Smith – Chief Financial Officer Luke Whitcomb – Marketing Director Rob Woodside – Estates Director Kathryn Lanning – Governance Officer (minutes) Kate Roy – EA to Chairman and CEO Eloise England – Governance Assistant</p>
ALSO PRESENT	Francis Runacres – Arts Council Observer

Item – Apologies, Announcements and Declarations of Interest

- 1.1 There were no apologies for absence.
- 1.2 **The Chairman** announced that, prior to the main Board meeting, Trustees had discussed the following topics:
- The appointment of new Trustees: Historic England had been asked to approve the appointment of three new Trustees at its meeting the following week. **Charles Gurassa** commented that all three had very different styles and would all make excellent additions to the Board. He added that it was disappointing not to have been able to find a Trustee with a fundraising background. **Laurie Magnus** agreed that this would be an important role to fill and added that future recruitment

exercises should also look for someone with expertise in historic buildings conservation.

- 13/14 July Board visit: it was agreed that this would not go ahead as planned since Cheshire was now on the Government's list of areas where travel was discouraged due to increased Covid levels. Thought would be given to identifying an alternative location for a visit and Trustees were asked to keep the dates free.

- 1.3 **The Chairman** welcomed Francis Runacres who would be attending this and future meetings as an observer from Arts Council England (ACE) as a condition of the Culture Recovery Fund loan awarded to English Heritage in March.
- 1.4 **Sir Laurie Magnus** declared an interest in item 10 on the agenda (Annual Report to ACE) as he is a member of the Culture Recovery Board. **Victoria Barnsley** declared an interest in the same item as she is Executive Chairman of Castle Howard which had also been awarded a Culture Recovery Fund loan. It was not considered necessary for either of them to refrain from taking part in the discussion on this item.

Item 2 – Minutes of the last Board meeting

- 2.1 The minutes of the Board meeting held on 9 March 2021 were agreed as a correct record.

Item 3 – Matters Arising and Action Tracker

- 3.1 Trustees welcomed the fact that negotiations to acquire Thornborough Henges were making progress; a project board had been re-established to oversee transfer of the site into the National Collection and prepare it for operation as a free site. **The Chairman** asked about the cost to English Heritage of operating the site and **Anna Eavis** advised that this would be covered by an annual payment to English Heritage by Tarmac, the current owners of the site, for the first ten years.
- 3.2 **Kate Mavor** advised that preparations were being made to negotiate an extension to the current Property Licence. Trustees agreed that it was not practicable to allocate reserves or cover all unforeseen liabilities and that funding such liabilities should be considered as part of the discussions on renewing the Property Licence.
- 3.3 **The Chairman** advised that the policies on property disposals and historic property acquisitions, approved in principle at the last Board meeting would be put into a standardised format and recirculated to Trustees for final comment by the end of June.

ACTION: Kathryn Lanning

- 3.4 **Anna Eavis** agreed to circulate the final version of the “Frequently Asked Questions” background document concerning The Story of England discussed at the last meeting.

ACTION: Anna Eavis

Item 4 – Chief Executive's Strategic Overview

- 4.1 **Kate Mavor** congratulated Trustees and SMT on how well they had responded to the challenges of the pandemic. In particular:

- The Board and SMT had met more frequently, albeit remotely, and had made difficult but correct decisions in the face of a great uncertainty and evolving forecasts.
- £46m of additional specific Government funding had been secured.
- Sustainable conservation targets had been met and a record level of conservation work had been made possible by the additional funding.
- Excellent online content during lockdown and the decision to extend memberships by three months meant that Member retention had been much better than anticipated.
- Whenever possible sites had opened safely and securely thanks to the efforts of staff, in particular the Head of Safety and Risk who had received an award for contribution to the sector.
- Staff had completed their ten-year survey of the state of our collections.
- Redundancies due to Covid had been avoided, helped by optimising use of the furlough scheme and the fact that the organisation was already streamlined as a result of earlier organisational reviews.
- Almost £7m income from fundraising had been secured in challenging circumstances.

4.2 **The Chairman** expressed Trustees' thanks to SMT for their particularly strong management of the charity during the past year. **Ian McCaig** commented that, as a Trustee he had felt informed and assured by the senior team throughout the pandemic and had been very impressed by their agile decision-making.

4.3 **Kate Mavor** commented that the recent announcement of plans to retain social distancing measures in the UK for a further four weeks was disappointing, but the events programme was flexible and could be adjusted accordingly. However, the pay and recruitment freezes in place since 2019 were now having a serious impact on staff recruitment and retention, particularly for operational grades at sites where English Heritage salaries had not been competitive for some time. This could lead to a situation where some sites were unable to operate at capacity due to staffing shortages. **Victoria Barnsley** noted that recruitment at operational grades was a widespread problem, particularly in certain parts of the country, and that most organisations were offering financial incentives to attract temporary staff. **Francis Runacres** advised that, whilst the Culture Recovery Fund loan required English Heritage to demonstrate pay restraint, he did not believe that anyone would expect this to be followed to the extent that business would be damaged. However, ACE would appreciate early warning of any possible relaxation of pay restraint. Trustees agreed that this should be addressed as quickly as possible to ensure that the needs of the business are met as we approach peak summer season. The Chairman would be kept informed.

4.4 **Sue Wilkinson** commented that Alva research showed that visitor confidence may lag behind the lifting of restrictions, with some visitors still wanting masks and social distancing, giving front of house staff a difficult job to manage. She also welcomed the fact that English Heritage had taken a very cautious approach to forecasting overseas visitors given the dramatic fall in international travel.

4.5 **Kate Mavor** advised that, following the collapse of part of the east wing at Hurst Castle in February, a number of reports had been commissioned:

- An in-depth near miss health and safety report; this included lessons learned.
- how the charity dealt with the incident in relation to the stakeholders who manage the site under a local management agreement.
- why part of the castle collapsed and whether this could have been prevented.
- options and associated costs for securing the future conservation of the castle (this report was expected to be finished by October).

4.6 **Rob Woodside** outlined the work carried out to date to secure the site and advised that local stakeholders and communities were being kept informed.

4.7 **Kate Mavor** advised that SMT had agreed the charity should not become further involved in a potentially contentious scheme led by Dover District Council to run a cable car from Dover town centre up to the castle and she would let Trustees have a briefing note on the issues.

ACTION: Kate Mavor

The Board noted the Chief Executive's Strategic Overview

Item 5 – Health and Safety Report

5.1 **Rob Woodside** advised that, despite reduced visitor numbers over the past year, there had been an increase in minor incidents, particularly trespass. Covid-related health and safety issues had been managed very successfully throughout the pandemic. Falling masonry continued to be a challenge and there had been a number of falls during the year, largely a result of adverse weather conditions, but also caused by vegetation growth and mortar failure. To mitigate this risk, significant amounts of high level survey had been carried out to monitor the sites and undertake small scale repairs. Management standards had been reviewed and upgraded to ensure that all mitigations for high level masonry falls were in place and all incidents were recorded and tracked to help identify causes and patterns. **Sue Wilkinson** was reassured by the actions being taken to mitigate against falling masonry, but felt it was such a major risk for the public and the National Collection, the Board should keep the issue under regular review.

5.2 **Sue Wilkinson** queried whether the increase in the number of near misses was a genuine increase or the result of improved reporting. **Rob Woodside** advised that the big drive in recent years to ensure as many near misses as possible are captured meant that the figures were now more realistic and that the number of incidents per 100k visitors had levelled off with only slight fluctuations.

5.3 In response to a question from **James Twining, Mark Stuart-Smith** confirmed that English Heritage had an appropriate level of liability insurance.

The Board noted the Health and Safety Report.

Item 6 – Corporate Risk Register

6.1 **Kate Mavor** advised that, with the help of ARC members, SMT had reviewed the corporate risk register and identified the most pressing risks for the foreseeable future,

revised its format, and reduced the number of risks on it from 30 to 17. The register had been split into short term and medium term risks to facilitate separate SMT discussions about operational and strategic risk. ARC had reviewed the new format and was content with it, as was the Chair of Historic England's Audit and Risk Assurance Committee.

The Board welcomed the new format for the Corporate Risk Register.

Item 7 – Finance Report

7.1 **Mark Stuart-Smith** introduced reports on the following:

- The final financial position for 2020/21 which showed a strong performance in an extremely challenging year, with a full year net unrestricted deficit after depreciation of £5.7m and an unrestricted cash position of £64m, including the £23.4m Culture Recovery Fund loan.
- The first month of 2021/22 which showed slightly higher visitor numbers than budget, although with a mix more heavily weighted towards member visits than paying visits. Significant cost control measures and Covid retail grants meant that total income was £7.5m (£1.5m better than budget) and net unrestricted income after depreciation was £1.2m (over £4m better than budget). Unrestricted cash was £54m (£8m better than budget).
- The April forecast (prepared before the Government's recent announcement that social distancing would continue into July) anticipated an increase in visitor numbers to 4.4m (4.1m in the budget), with net unrestricted income after depreciation improving to a deficit of £10.4m (£0.5m better than budget). It was not anticipated that the ongoing restrictions would reduce visitor numbers below the budget figure of 4.1m.
- Flash results for May reflected the impact of poor weather on visitor numbers, but all main financial indicators for the month performed better than the April forecast and cumulatively better than budget. As a result, turnover for the first two months of 2021/22 was £15.6m (£0.7m better than budget), and net unrestricted income after depreciation showed a surplus of £0.2m (almost £5m better than budget, although largely due to timing differences). The focus continued to be on cash preservation and unrestricted cash at the end of May was £57m (£9m better than budget).

7.2 **James Twining** noted that continuing restrictions on foreign travel would increase the number of people holidaying in the UK and queried whether this might translate into more visitors to English Heritage sites, and whether social distancing restrictions might make it difficult to accommodate increased visitor numbers. **Luke Whitcomb** advised that targets for the current year assumed a very high uplift in domestic tourism, for example the target for membership was to achieve a recruitment figure of 370k new members against visitor numbers expected to be 2m lower than normal. **Kate Logan** commented that currently demand was not outstripping supply, however, staff carried out regular reviews to maintain a careful balance between maximising site capacity and ensuring that visitors felt reassured that appropriate social distancing measures were in place. Capacity was being increased where this could be done safely, for example from 1 July opening hours would be extended into the evening at 12 properties to meet expected demand. **Francis Runacres** queried whether having to book in advance deterred visitors and **Kate Logan** commented that recent visitor survey data showed that 80% of visitors were

comfortable with pre-booking. Site staff were also allowed to use their discretion when visitors and members arrived at sites without having booked in advance.

- 7.3 **Laurie Magnus** commented that it would be very useful if future finance reports could show overall worst, base and best case scenarios, to be updated regularly over the year.

ACTION: Mark Stuart-Smith

The Board noted the Finance Report

Item 8 – Stonehenge Film Hire Proposal

- 8.1 The Board considered a proposal for an ‘A list’ musician to be filmed performing at Stonehenge with no audience and unamplified over 3-4 nights to produce an edited video product that would then be sold by the production company to a broadcast streaming service. SMT had turned down this proposal towards the end of last year, but **Kate Logan** advised that a number of factors had changed since then. The management of risks associated with A303 protests was now considerably stronger thereby reducing the potential for any conflict with filming; the proposed filming date had been postponed to 2022 by which time Covid risks would hopefully be reduced; and the likely delayed recovery of visitor numbers at Stonehenge increased the importance of non-visitor income streams and the need for Stonehenge to continue to be perceived as being ‘open for business’.
- 8.2 **The Chairman** noted that filming would not disrupt admissions, there would be no public spectators, and filming would not be publicised. **Victoria Barnsley** and **Ian McCaig** both felt that, given the unique nature of the site, the proposed fee of £336k (£250k after costs) was too low and **Ian McCaig** offered to benchmark the fee with others in the events sector. **Kate Logan** advised that an Event Plan would control behaviour around the site during filming and that English Heritage would have right of veto over the performer. **Charles Gurassa** stressed the need to manage any reputational risks and that English Heritage should also have a right of veto over final content, including any element filmed offsite. **Ronald Hutton** supported the proposal, noting that it might lead to further income generating opportunities, and that it was not a particularly novel proposal but rather an extension of Stonehenge’s long history as a cultural resource used by a wide range of writers and performers.
- 8.3 In response to a question from **Sue Wilkinson**, **Kate Logan** agreed to check whether English Heritage would have any future broadcast rights over the film.

The Board approved in principle the proposal to proceed with the film shoot at Stonehenge, subject to:

- a) **further benchmarking of the proposed fee; and**
- b) **English Heritage having a right of veto over final content, including any elements filmed off site.**

ACTION: Kate Logan

Post-meeting note: **Ian McCaig** subsequently spoke to his contacts in the events sector who confirmed that the fee was appropriate. Staff also confirmed that there were safeguards in place to manage any concerns over filming. However, English Heritage would not have any future broadcast rights as the promoter would retain the right to sell to other platforms.

Item 9 – The Elizabeth Wagland Fund

- 9.1 The Board considered a report on a long-standing dispute relating to the purposes of the Elizabeth Wagland Fund, a £2m legacy left to English Heritage for the benefit of Binham Priory. The Charity Commission had approved an application from English Heritage in 2012 for a cy-près scheme to widen the scope of the legacy, but concerns about the lack of consultation over this scheme were subsequently raised by stakeholders at Binham Priory. **Mark Stuart-Smith** explained that discussions had been taking place with the Charity Commission since 2019 and, since earlier this year, with those local stakeholders and it was now recommended that the £782k spent by English Heritage under the cy-près scheme should be repaid to the Fund over a period of time to be agreed, and the definition of Binham Priory widened to include the interests of the Norfolk Archaeological Trust and Binham Parochial Parish Church Council. It was also proposed that responsibility for managing the Fund should remain with English Heritage, but with measures in place to address any future conflicts should they arise.
- 9.2 Trustees noted that there was insufficient evidence to demonstrate whether Mrs Wagland intended her legacy to benefit the part of Binham Priory in English Heritage guardianship, as specified in her will, or whether she intended it to benefit the entire site and **Ronald Hutton** commented that it would be wrong to speculate on this.
- 9.3 **Victoria Barnsley** endorsed the proposal to repay the money spent under the cy-près scheme and stressed the importance of handling legacies sensitively and appropriately. **Charles Gurassa** agreed but asked what checks and balances were in place to prevent a similar situation happening in the future, and why the issue had apparently taken so long to resolve. **Mark Stuart-Smith** explained that he had first been made aware of a potential issue with the way in which the Wagland Fund had been handled in 2012 by a letter from the Charity Commission in late 2018. It had taken a considerable amount of time to collect and review historic documentation, understand the original decision-making process of a complex case, obtain advice from, and arrange a meeting with the Charity Commission, take detailed external legal advice, meet with various stakeholders and identify a way forward which would be acceptable to all parties. Progress had been hampered by Covid lockdowns and the furloughing of English Heritage staff.
- 9.4 **Kate Mavor** was confident that a similar situation would not arise again as the charity had a robust infrastructure and processes in place for managing legacies, overseen by a Development Director who is part of the senior management team. Any potential variation of a legacy would involve widespread consultation, including with the Head of Legal and the Board of Trustees. **Charles Gurassa** commented that in similar circumstances Trustees would expect to see independent validation that any proposed deviation was compliant with the legator's will. **Mark Stuart-Smith** also advised that the charity had introduced new whistleblowing, speak up and counter-fraud policies which enabled concerns raised internally or externally to be escalated quickly to CEO/CFO or ARC chair level as appropriate.

- 9.5 In response to a question from **Kate Mavor, Mark Stuart-Smith** advised that he would consider how the repayments should be reflected in the Annual Accounts.
- 9.6 **Laurie Magnus** paid tribute to the way in which **Susan Fisher** and **Mark Stuart-Smith** had handled discussions with stakeholders and to **the Chairman** for his scrutiny of the issue.

The Board:

- a) **noted that it was impossible to establish conclusively what Mrs Wagland's intentions had been in setting up the fund for Binham Priory;**
- b) **agreed that the way in which legacies are interpreted and managed in future would be more rigorous and that independent validation should be sought where appropriate;**
- c) **agreed that the monies spent in accordance with the cy-près scheme but outside the Binham Priory site should be repaid over a period of time to be decided;**
- d) **agreed that English Heritage should remain the sole trustee and administrator of the Wagland Fund and that work would be undertaken in accordance with English Heritage standards and methodologies in partnership with stakeholders.**

ACTION: Mark Stuart-Smith / Susan Fisher

Item 10 – Annual Report to Arts Council England (ACE)

- 10.1 **Mark Stuart-Smith** advised that a condition of the Culture Recovery Fund loan was that English Heritage should report regularly to ACE. This should include submission of an Annual Report, the first of which was due on 1 July. However, ACE had not yet submitted guidance on the format the Annual Report should take so it was unlikely this deadline would be met as the Annual Report would need to be scrutinised by the Audit and Risk Committee before submission to ACE. Having recently met, the Committee was not due to reconvene formally until the autumn. Guidance was now expected to be received the following week.
- 10.2 **Francis Runacres** commented that ACE would not want its monitoring to interfere with running the business and that its main focus this year would be on financial data, particularly to ensure that the long-term forecast supports repayment of the loan on time. ACE would also like early warning of any issues that needed to be brought to its attention.

The Board noted the Culture Recovery Fund reporting requirements.

Item 11 – Scheme of Delegations Annual Review

- 11.1 The Board considered some proposed amendments to its Scheme of Delegations which were designed to improve clarity and consistency.

The Board approved proposed amendments to the Scheme of Delegations, subject to a final check that the description of RAAC's role is consistent with its terms of reference.

Item 12 – Any other business

- 12.1 **The Chairman** drew the Board's attention to the Site and Community Fundraising Strategy in the supplementary reading pack. He queried whether any money raised by a local community would be used to offset running costs at a site, or would be seen as additional income to be spent on the site. **Susan Fisher** said she would respond by email.

ACTION: Susan Fisher

- 12.2 **The Chairman** reiterated the Board's enormous thanks to SMT for their hard work during the pandemic.

- 12.3 There was no other business and the meeting finished at 13.00.

Post-meeting note

The Chairman forgot to mention that this would be Kathryn Lanning's last Board meeting before she retires in August. He wishes to record his and the whole Board's gratitude for the superb support Kathryn has provided to the Board in many different ways since the foundation of the charity in 2015. She will be much missed and the Board send her their warmest best wishes for the future.

Next meeting

The next full Board meeting would be held on 20 October 2021, time and location to be confirmed.

Kathryn Lanning
Governance Officer
June 2021