

National Portrait Gallery

735th MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on
Thursday 26 February 2009

Present: Professor Sir David Cannadine (Chairman)
Sir Nicholas Blake
Professor Robert Boucher
Dr Augustus Casely-Hayford
The Marchioness of Douro
Lord Janvrin
Professor Ludmilla Jordanova
Mr David Mach
Professor Sara Selwood

In attendance: Mr Sandy Nairne, Director
Mr Jacob Simon, Chief Curator

1. Chairman's business

At the beginning of the meeting, the Director expressed the general delight at the Chairman's knighthood and noted the pleasure that Linda Colley's CBE had given. The Chairman reported that he had accepted with regret David Ross's resignation as a Trustee. He expressed gratitude to David Ross for the energy and vigour that he had brought to his role as Chairman of the Audit and Compliance Committee and noted his particular contribution to discussions on contemporary art at Trustee Meetings. The procedure to appoint a new Trustee with a particular interest in business and who would join the Audit and Compliance Committee had been set in motion and any suggestions should be passed to the Director. Sara Selwood had very kindly agreed at short notice to become Chair of the Audit and Compliance Committee.

- THE TRUSTEES ratified the appointment of Sara Selwood as Chair of the Audit and Compliance Committee

The Chairman reported that the standard procedure was being followed for considering the annual appraisal of the Director's performance. He would write to Trustees and a recommendation would then be considered at the Senior Staff Remuneration Committee in May, before being brought to Trustees. He also reported that the Director's seven-year contract would expire in October 2009. Judith West, as Head of Resources, was in touch with DCMS to clarify the options on extending contracts subject to the review of performance, and that this matter would also be brought to Trustees at the May meeting.

The Chairman welcomed Pim Baxter, Deputy Director, to the meeting for the discussion of the DCMS Peer Review.

2. Apologies for absence and Declarations of interest

Apologies for absence were received from Zeinab Badawi, Amelia Fawcett, Sir Nicholas Grimshaw, Sir Christopher Ondaatje, Lady Royall of Blaisdon and Professor Marina Warner.

3. Minutes of the last meeting

The minutes of the meeting held on 20 November 2008 were approved.

4. Matters arising

Interest was expressed in finding a suitable opportunity for Trustees to meet Stephen Robertson, independent non-executive director of the Trading Company.

5. Director's report

The Director reported that the Gallery proposes to show a live relay on a plasma screen in the Ondaatje Main Hall from the 4th plinth project, *Anthony Gormley: One and Other*, with Sky Arts as partner, for 100 days from early July; it is hoped that the members of the Youth Forum can visit the artist's studio during the project. The Director commented on the exceptional and rather extraordinary total of 1.84m visits to the Gallery for the 2008 calendar year, explained in part by the two very successful photographic exhibitions but with much else drawing visitors to the Gallery. There was a discussion about how to avoid overcrowding and how to maintain the quality of the visitor experience by encouraging visitors to quieter galleries. The Director drew attention to the relaunch of the Gallery's website. On Governance Development, he was proposing an open discussion of key issues in late April followed by a more structured session at the Review Day in September.

The DCMS Museum Peer Review Pilot was conceived by DCMS as a review of our ability to assess ourselves rather than a review of the Gallery itself. The Chairman drew attention to the very positive reaction of the review team and to the endorsements of the Gallery's work. He noted their suggestions relating to digitisation, the use of volunteers, the development of storage plans, the possibility of introducing a finance committee and the need to align the strategic and corporate plans. The process had been a positive one and it was the sense of Gallery staff that, in future peer reviews, reviewers should be recommended to visit the institution privately in advance. The Director said that the Review conclusions, as a public document available on the DCMS website, will be useful to quote in our advocacy work. While it remains to be seen whether DCMS will reflect excellence in their funding allocations, it was hoped firstly that the Gallery would fare better in negative economic circumstances and secondly that DCMS would be able to use the reviews in making the case with the Treasury for money for investment.

The Director drew attention to the DCMS letter to Finance Directors. We were alert to the risk of finding ourselves unable to spend reserves.

6. Portraits on offer

The Chief Curator reported that a further gift of £5,000 had been offered towards Marc Quinn's *Bloodhead*, the acquisition of which was now being completed. He also reported that the contract for the portrait of John Philip Kemble had now been signed. The Trustees congratulated Paul Moorhouse on the Gerhard Richter exhibition and catalogue. The Director reported that the commissioned portrait of Lord Rees would be going on display at the end of March together with a group of photographs of astronomers.

- THE TRUSTEES agreed to the acquisition of the portraits on the appended list

7. Commissions

The Trustees noted current commissions. Rosie Broadley, Associate Curator, Contemporary Portraits, reported that a meeting had now taken place with Dame Anne Owers and that suggestions on artists were being put to Sir Martin Evans.

8. Finance and Planning

On the Management Report to 31 January 2009, the Director said that the potential outcome this year was outstandingly good, with a surplus of well over £1m. Nick Hanks,

Head of Finance and Planning, reported that the situation on performance indicators was satisfactory and that the target for Major Donors had now been made up by the Lerner Gift. The Chairman noted the list of underspends. In the case of the Learning Department, spending would pick up now that staff vacancies had been filled. Trustees considered the figures for 'Variance', and the accompanying explanations, particularly useful.

On the Draft Corporate Plan, Nick Hanks said that it was now more closely linked to the Strategic Plan. The Chairman suggested that the KPIs on page 16 should be linked more closely with the strategic objectives. Robert Boucher emphasised the importance of taking steps now to invest to boost future earnings.

- THE TRUSTEES approved the Corporate Plan 2009-12

On the Draft Budget 2009-12, it was noted that over the period under review, there was a move from surplus to deficit budgets. The budget had been built with this in mind and used reserves as intended to manage the situation. It was recognised that there were imponderables in 2011-12 around the exhibition programme and in our government funding. Several matters were discussed: the relatively expensive admission charge to some exhibitions at a time of rising unemployment and the potential knock-on effect on retailing and catering if visitor numbers decline, the impact of the current economic climate on support from corporates, the need to protect marketing spend in a downturn and the need to be aware how the Gallery would cope if the situation worsened.

The Director observed that we do not have immediate control over the timing of the major income-earning exhibitions but that *Vanity Fair* and *Annie Leibovitz* would be followed by another peak in 2012 with *Lucian Freud* and *The Queen*. He noted that the very limited number of new permanent staff posts in the budget would either pay their way or were central to operations. He said that a further report would be made to Trustees should the situation worsen, and that ideas about forthcoming exhibitions would form a subject of discussion as usual at a forthcoming meeting of Trustees.

- THE TRUSTEES approved the 2009-12 Budget and agreed to commit to fund the Priority A Investment & Contingency Fund and manpower planning bids

The Trustees noted the Reserves Policy.

9. Audit and Compliance Committee

Sara Selwood, Chair of the Audit and Compliance Committee, expressed the committee's thanks to David Ross for his exemplary chairmanship. On the internal audit recommendations, she reported that the areas for consideration in the new audit plan were appropriate and that there was only one outstanding item from previous audits relating to National Programmes for reasons largely outside our control. She noted the National Audit Office paper, *Effective Governance and Oversight of Investments*, as a useful guide and reported that recommendations would be brought to Trustees on investing Gallery reserves. On the Trading Company, she noted that its performance was sound, that the company risk register was still in the old-style and that the company's auditors, Baker Tilly, had outlined an audit strategy. The Audit and Compliance Committee had welcomed a report prepared by Robin Francis, Head of Archive and Library, on personal information and information security. Sara Selwood reported on the review of the Risk Management Register in its new format, singling out among 'amber' status risks three areas, Loss of reputation, Reduction in funding levels and Fall in demand for NPG programmes, as among those being kept under regular review. She drew attention to the Committee's recommendations on the internal audit retender.

- THE TRUSTEES agreed that AHL Ltd should be awarded the contract to provide internal audit services for three years, commencing 1 April 2009

10. Strategic Plan 2009-2015

The Director reported that the next step would be to explore which parts of the strategic plan to tackle first, depending on priorities and opportunities. Ideas for implementing the plan would come back to the Trustees for discussion later in the year. It was suggested that the theme, Diversity, should be extended to embrace partner organisations.

11. Immunity from Seizure

Sarah Tinsley, Head of Exhibitions and Collections Management, reported that the National Portrait Gallery had now been granted 'approved institution' status for immunity from seizure by DCMS, subject to periodic reviews. The Gallery's Due Diligence policy had been amended in the light of comments from two DCMS consultants. Details of works in exhibitions subject to immunity from seizure under government indemnity would be included on the Gallery's website in advance according to an agreed process. Training sessions for relevant staff would be held shortly. The Director added that it was not in the Gallery's interest to exhibit works which do not meet accepted requirements. The Chief Curator spoke on the application of due diligence procedures to acquisitions, where an assessment of residual risk in the case of incomplete provenances was part of the process.

- THE TRUSTEES approved the Due Diligence policy

12. 2012

The Director said that his report was designed to give Trustees an overview of planning for 2012 including exhibitions which are not Olympic related. On exhibitions, he said that we were working to minimise conflicting demands between our Lucian Freud exhibition and those being organised elsewhere. Plans for sharing *The Queen* exhibition with Edinburgh, Belfast and Cardiff were proceeding well. We were considering identifying the theme of inspiration for the BP Portrait Award in 2012, with the possibility of a summer school for young people should financial support be available. Looking at other projects, *The Road to London 2012* proposal was the priority and could become an approved Olympic project. The importance of a media partner was discussed. On the National Portrait, the Big Lottery was a possible source of funds but the project might otherwise have to wait.

14. Matters for report

Reports on Communications and Development, Resources, Learning and Loan requests were noted, as were the minutes of the Editorial Advisory Board.

15. Any other business

Ludmilla Jordanova drew attention to a discrepancy in the treatment of the attribution of the portrait of Joseph Priestley between the Gallery's website and the portrait's label, a discrepancy which the Chief Curator agreed to investigate.

Appended list of portraits on offer, 26 February 2009

JOHN ('JACK') BROUGHTON, pugilist, painting by William Hogarth, c.1740
Loan from the Lowther Estate Trust for 3 years approved

6857 SIR FRANCIS DARWIN, botanist, drawing by Sir William Rothenstein, 1903
Purchase from Stephen Cornford at £1500 approved

P1317 HENRY BRINLEY RICHARDS, pianist and composer, daguerreotype photograph by an unknown photographer, c.1850

Purchase from Oceania Ethnographica at £850 approved

Three paintings on offer to HM Government in lieu of tax through Anthony d'Offay

NATALIE BEVAN, artist and collector, 'Supper', painting by Mark Gertler, 1928

STANISLAWA BEVAN, painter, painting by Harold Gilman, c.1913

SPENCER FREDERICK GORE, painter, painting by Harold Gilman, c.1911-12

Acquisition approved, subject to the completion of the acceptance-in-lieu process

SIR PETER LEVIN SHAFFER, playwright, pencil drawing by Dame Elisabeth Frink, 1984

Gift from the sitter, Sir Peter Shaffer, approved, subject to a life interest

6858 NORBERT CASPER LYNTON, art historian and critic, pastel drawing by Ken Kiff, 1970

Gift from the sitter's four sons, Jeremy, Oliver, Peter and Thomas Lynton approved

6859 MARTIN REES, BARON REES, astrophysicist, pencil drawing by Benjamin Sullivan, 2008

Gift from Sir David Scholey approved

6860-6861 CAMILA BATMANGHELIDJH, psychotherapist and founder of Kids Company, two oil compositional studies by Dean Marsh, 2008

Gift from the artist, Dean Marsh, approved