

National Portrait Gallery

736th MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on
Thursday 14 May 2009

Present: Professor Sir David Cannadine (Chairman)
Sir Nicholas Blake
The Marchioness of Douro
Ms Amelia Fawcett
Lord Janvrin
Professor Ludmilla Jordanova
Sir Christopher Ondaatje
Professor Sara Selwood
Professor Marina Warner

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

1. Chairman's business

The Chairman paid tribute to the late Robert Boucher and to his very great contribution to the Gallery as a Trustee, not only in his special knowledge of science and engineering and in his ability to speak for the nation's regions but also in his work as Finance Trustee scrutinising the Gallery's accounts. The Trustees observed a period of silence in his memory. The Chairman asked that a copy of this minute should be sent to Robert's widow, Rosemary, and drew attention to the memorial service in Sheffield Cathedral to be held on 21 May.

The Chairman reported that interviews for the vacant trusteeship created by the resignation of David Ross had resulted in a recommendation to the Minister. He said that thought would need to be given to the vacancy created by the death of Robert Boucher and to forthcoming vacancies on the completion of service by two trustees at the end of the year. He welcomed Marina Warner to her first meeting as a Trustee.

2. Apologies for absence and Declarations of interest

Apologies for absence were received from Ms Zeinab Badawi, Dr Augustus Casely-Hayford, Sir Nicholas Grimshaw, Mr David Mach and Baroness Royall of Blaisdon. There were no declarations of interest.

3. Minutes of the last meeting

The minutes of the meeting held on 26 February 2009 were approved.

4. Matters arising

The Director reported that the Gallery remained hopeful of support from BT for the Olympic project, provisionally titled *London 2012: A Portrait for the Future*, but drew attention to the uncertainties and the resulting delays in starting the project.

5. Director's report

The Director drew attention to the forthcoming generic marketing campaign, *Take another look*, which focuses on presenting something unexpected about a well-known portrait sitter. The Trustees asked that their thanks should be given to Pim Baxter, Nathalie Debono and all those involved in the Portrait Gala, which had raised just over £180,000 for the Education

programme. The Director reported that the idea of inviting an individual with experience of another Trustee body to participate in a session during the Trustees Review Day was being carried forward.

The Director drew attention to the notification from DCMS of a cut in the Gallery's grant-in-aid of 0.5% in the 2010-11 total resource allocation. The Chairman reported on the likelihood that government finances would continue to be under pressure whichever party was in power. In discussing contingency planning, various matters were highlighted including the impact of the Olympics on DCMS's budget, the commitment to restore lottery funding to the sector following the Olympics, the Gallery's high proportion of self-generated income when compared to other DCMS-funded museums and the possible influence on the Gallery's future grant of the successful outcome to the recent Peer Review.

The Director noted that the Gallery was seeking external advice on the recent web incident in which a large number of the Gallery's images had been posted to the Wikipedia website without permission. The Director reported on the recent loss of cash totalling £5,740 during the banking process and in response to questions assured Trustees that procedures had been changed to ensure that such a loss should not happen again. In response to concern at the 20% drop in attendance April to April, the Director identified the extraordinary success of the *Vanity Fair* exhibition last year as the explanation.

- THE TRUSTEES agreed to designate the legacy of £10,000 from the estate of Mr Barry Hart Parsons to the Portrait Fund

6. Portraits on offer

The Chief Curator reported that the Gallery's application to The Art Fund for support towards the acquisition of Thomas Lawrence's portrait of John Philip Kemble had been favourably received and would be considered further at their June meeting once we had clarified the possibility of the portrait being accepted by the government in lieu of tax. A further offer, a bronze bust of Nelson Mandela by Ian Walters, the subject of a tabled addendum, was welcomed.

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

7. Commissions

The Trustees welcomed the report on current commissions. Rosie Broadley, Associate Curator, Contemporary Collections, introduced the paper on future commissions. In discussion, areas of interest advanced for consideration included gardeners, landscape designers and horticulturalists (the subject of a Gallery commission to Tessa Traeger in 2000), cybernetics and the Internet, craftspeople, business and enterprise, the environment (the subject of an acquisition of photographs by Nicola Kurtz), social reform and civic society, journalists in areas of conflict, communicators in the media and radio journalism.

A revised version of the discussion paper would be circulated to Trustees so that they could make suggestions for consideration for future commissions which would then be re-circulated to test preferences, followed by discussion at the July Trustees' meeting.

8. Finance and Planning

Nick Hanks, Head of Finance and Planning, presented the Management Report for the 12 months to 31 March 2009 and the indications were that the surplus might be in the order of £1.5 - 1.7 million. The figures for website visitors and the e-commerce would continue to be watched. Attention was drawn to the discrepancy in the performance indicators between visitors not very likely to recommend the Gallery and visitor satisfaction scores. The Trustees noted the contents of the Management Report.

The Director introduced the Draft Procurement Policy, which included a policy statement. Amelia Fawcett, Deputy Chairman, suggested identifying Value for Money benchmarks against which procurement performance could be judged, a suggestion which the Director welcomed.

- THE TRUSTEES approved the Procurement Policy Statement

9. Audit and Compliance Committee

Sara Selwood, Chair of the Audit and Compliance Committee, reported on the recent review of the Risk Management Register. The Committee had looked in particular at Amber risks and changes to the register since the last report. She stated that AHL had been reappointed as the Gallery's internal auditor. One audit item relating to 2006/7 was still outstanding owing to slow progress in agreeing contracts with the National Trust at Montacute and Beningbrough. One item, Business Continuity, had been deferred from the Internal Audit Plan for 2008/9. The National Audit Office had expressed concern over government indemnity cover as a result of a misunderstanding over the relevant responsible body. On the Statement of Internal Control, more detail needed to be added to the Gallery's approach to data protection.

Trustees noted the progress made in the last financial year in developing the effectiveness of the Gallery's risk management processes, as contained in the Audit and Compliance Committee's annual report to Trustees on risk management.

Trustees reviewed the Gallery's risk appetite. Planning Team had identified Learning Programmes as an additional activity in the risk appetite, and A&CC had agreed it should be included. It was suggested that the area described as 'Operational' within this framework should be more precisely described as 'Buildings and events operations'.

- THE TRUSTEES approved the risk appetite subject to the revision of the description of activities hitherto grouped under 'Operational'.

On the Risk Management Policy, Nick Hanks drew attention to the changes in the Statement of Principles, and in particular to the Review and report on risks (section 5, subsection 5) following the introduction of departmental risk registers.

- THE TRUSTEES approved the Risk Management Policy subject to the clarification of the meaning of 'operational' within the risk appetite, as clarified above.

10. Investment Strategy update

Nick Hanks drew attention to the three very different approaches presented by the firms of investment advisers, as set out in the Investment Strategy update: Morgan Stanley PWM as investment managers, Cambridge Associates as investment consultants and Sarasin and Partners as fund managers. Amelia Fawcett noted these three very different offers, the first two as active managers but with different approaches and backgrounds, and the third a more passive approach. Although Cambridge Associates would be more expensive initially, this would not necessarily be the case over three years. Sir Christopher Ondaatje identified the need to make the right decisions for ourselves and to gain experience at a time when the preservation of capital was vital. A recommendation will be made by the investment selection panel to the Trustees of the Gallery and the Portrait Fund at their respective meetings in July.

11. Matters for report

Reports on Communications and Development, Resources, Learning and Loan requests were noted.

12. Any other business

Amelia Fawcett drew attention to the significant contribution being made to the finance and planning process by Nick Hanks. Marina Warner suggested a residency for a life writer as a bridge to visitors to the archives and the Director raised the possibility of making relevant Archive information available in a case in the entrance hall or elsewhere.

Appended list of portraits on offer, 14 May 2009

CATHERINE OF ARAGON, first Queen of Henry VIII, miniature attributed to Lucas Horenbout, c.1525-6
Loan from a Private Collection for 3 years approved

SIR ARTHUR BLISS, composer, pencil drawing by Wyndham Lewis, 1922
Bequest from the late Gertrude, Lady Bliss approved

DENNIS LLOYD, BARON LLOYD OF HAMPSTEAD, jurist, chalk drawing by Hans Feibusch, 1980
Gift from the sitter's daughter, Naomi Hodges, approved

PHILIP PULLMAN, writer, bronze head by Martin Jennings, 2008
Purchase from Martin Jennings at £5000 approved

NELSON MANDELA, President of South Africa, President of the African National Congress, bronze bust by Ian Homer Walters, 2008 (2001)
Purchase from the executors of the Walters estate for £20,000 approved