

National Portrait Gallery

762ND MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on **Thursday 05 November 2015**

Present:

- Sir William Proby (Chairman)
- Dr Brian Allen
- Ms C Allegra Berman
- Dame Carol Black
- Dr Rosalind (Polly) Blakesley
- Dr Augustus Casely-Hayford
- Ms Kim Evans
- The Rt Hon Chris Grayling MP
- Dr Andrew Roberts
- Mr David Ross
- Mr Stephan Shakespeare
- Dame Marina Warner

In attendance:

- Dr Nicholas Cullinan, Director
- Mrs Pim Baxter, Deputy Director and Secretary to the Board
- Ms Ellie Darton-Moore, Manager, Director's Office (minutes)

1. Chairman's business

The Chairman reported that the Department for Culture, Media and Sport (DCMS) had extended the closing date for submission of applications to the Trustee role. The deadline for the revised specification with an emphasis on fundraising and commercial experience was 16 November 2015, and this would be followed by a sift meeting in December, and interviews in January. The Chairman encouraged the Board to reach out to potential candidates where appropriate.

The Chairman noted that three Trustees' terms would come to an end in 2016, and that the Gallery would start preparing for this with DCMS at the beginning of next year.

The Chairman reported that the Government Spending Review would take place on 25 November 2015, and that the Gallery would be notified of its allocation in mid-December. This would be discussed in detail at the next Board meeting in March 2016.

2. Apologies and Declarations of Interest

Apologies for absence were received from Lord Janvrin, Dr Joanna Kennedy and Mr Christopher Le Brun.

3. Minutes of the previous meeting

The minutes of the meeting held on 02 July 2015 were approved as an accurate record and were signed by the Chairman.

4. Matters arising

The Chair noted that there were no other matters arising.

5. Director's Report

The Director noted that visitor attendance stood at 1.7 million as of October compared to 1.6 million during the same period last year. The *BP Portrait Award 2015* exhibition was one of the best attended in recent years, seen by a total of 329,556 visitors, compared to 275,000 projected. *Audrey Hepburn: Portraits of an Icon* had exceeded its target visitor numbers, having achieved 126,687, compared to 75,000 projected. *Simon Schama's Face of Britain* had received a good response from the public and the press.

The Director noted that the Archive & Library was due to undertake a project to catalogue and digitise a collection of over 1000 late 18th and 19th century engraved fashion plates, and hoped to secure sponsorship against the background of the *Vogue 100* exhibition.

The Director reported that the first phase of the curatorial staff review had been completed, resulting in the appointment of Lucy Peltz as Head of Collections Displays, Tudor to Regency and Paul Moorhouse as Head of Collections Displays, Victorian to Contemporary. The second phase of the review was underway and interviews would be conducted throughout November 2015. This had been undertaken in full consultation with the unions and the Curatorial Department.

The Director announced three measures being brought into place to encourage increased communication amongst staff. The first of these was that Heads of Departments had been invited to attend the fortnightly Senior Management Team meetings effective from January 2016. The second was that each Monday Morning Meeting following a Trustees' meeting would become a Trustees' Meeting Briefing, and would be an opportunity for the Director to update all-staff on the key decisions and discussions which had taken place. The Director invited feedback following the suggestion that one member of the Board could be present at each briefing. The response from the Board was very positive, and the Director would work with Trustees to take this forward. The third initiative was a Director's open office policy for two hours on the last Friday of every month effective from January 2016, which had been organised to accommodate Visitor Services shift patterns. These sessions would take place during the lunch break period to ensure that staff from across departments would be able to attend. The Director would bring an update to Trustees' at the following meeting.

The Director reported that *Giacometti: Pure Presence* had received a very positive response from the press but that visitor numbers were lower than anticipated. The Trustees suggested that this could be due to the fact that Giacometti was not known for his portraiture. In addition, due to restrictions by his estate, the Gallery was not authorised to use his imagery as freely as desired on publicity materials.

The Director reported that following on from the Trustees' Review Day in September 2015, the Gallery was actively working on its vision statement, and invited comments from the Board. The Director had engaged True North, a brand consultancy which had worked with the Gallery before, and had also undertaken a workshop with cultural stakeholders to redraft and refine the Gallery's mission, vision, strategic objectives and ten year plan. The Trustees agreed that the document was well structured but that the wording could be improved. It was suggested that the strategic objectives, which are fixed by DCMS, were generic and should be moved to the end of the document so that greater emphasis was given to the mission, vision and ten year plan.

The Chairman thanked the Director for his report.

6. Offers for Consideration

The Chief Curator and Curators presented the works on offer, which consisted of three bromide prints of John Lennon and Yoko Ono by John Lennon, a charcoal on paper self-portrait by John Wharltton Bunney, an oil on board painting of Prince Edward, Duke of Windsor by Francis Owen Salisbury, an oil on board painting of Sir Arthur Thomas Sloggett by Francis Owen Salisbury, two charcoal chalk on paper drawings of Bernard Law Montgomery, 1st Viscount Montgomery of Alamein by Francis Owen Salisbury, a bronze head of Virginia Wade by David Wynne, an oil on canvas painting of Sir Victor Gollancz by Ruth Gollancz, a charcoal portrait of Cicely Mary Hamilton by Cyril Roberts, a pencil and collage portrait of Dame Mary Quant by Bryan Organ, an oil on canvas self-portrait by Chantal Joffe, the Lucian Freud Archive including sketchbooks, drawings and letters by Lucian Freud, allocated as part of the Acceptance in Lieu scheme from the Estate of the Lucian Freud, a gelatin silver print of Erno Goldfinger by André Kertész, a gelatin silver print of Tilly Losch by E O Hoppé, a 1/9th plate daguerreotype of William Makepeace Thackeray by an unknown daguerrotypist, and the Rosalind Adams Archive, a collection of 105 photographs and 6 sitter books relating to the studios of Marcus Adams, Gilbert Adams, Bertram Park and Yvonne Gregory. The Trustees gave their authority to the Director to move forward with the acquisitions and to update the Board at the next meeting.

Dr Brian Allen declared a conflict of interest in relation to the Lucian Freud Archive as a Committee member for the Acceptance in Lieu scheme.

The Director requested that in future the discount obtained on each work should be included in the Offers for Consideration paper.

- THE TRUSTEES approved the acquisition of the portraits on the appended list.
- THE CHIEF CURATOR would include both the original and discounted price of each work in each future Offers for Consideration paper.

7. Update on Current Commissions

Sarah Howgate, Contemporary Curator, presented an update on current commissions.

8. Inspiring People update

The Deputy Director gave an update on further progress since the Trustees' Review Day on 17 September 2015. There had been three meetings between the Gallery and Westminster City Council (WCC), one of which had been attended by the Deputy Leader of WCC, Cllr. Davies. In addition, the Director of Estates and Operations and the Director of Learning and Participation had attended a meeting of Westminster's Public Realm Advisory Group (PRAG) and had been informed that the Council was presently undertaking a master plan for the area which would span across the next ten years.

The Deputy Director reported that the aim was to submit the HLF bid in April 2016. As part of the bid the Gallery would consider the structure of the project management team, as currently staff were undertaking *Inspiring People* duties alongside their day-to-day roles. The Director of Estates and Operations would explore the impact of displacing staff as part of the Gallery renewal.

The Director was in the process of reviewing the content of the vision, values, and building proposals along with colleagues, and this would culminate in a workshop in December

during which additional feedback would be requested. These plans would include further consideration about the Ondaatje Wing Main Hall, permanent collection and exhibition spaces.

The Trustees questioned to what extent the negotiations with WCC would delay the Gallery's plans, in particular the new Learning Centre. The main area of contention would be the proposed entrance to the Learning Centre as WCC had expressed a preference that the former entrance at the Orange Street end of the Charing Cross Road facade should be utilised.

9. Finance and Planning

The Chairman welcomed Nick Hanks, Director of Finance and Planning, to the meeting.

9(a) Management Report for the six months to 30 September 2015

Dr Brian Allen, Finance Trustee, reported that there was a net operating surplus of £1.7m at the mid-year-point with income £1m ahead of budget, and expenditure £1.9m below budget, resulting in a positive variance of £2.9m.

Core income was ahead of budget by £0.7m, which was due to Individual Giving membership being £388k ahead of target, Membership being at its highest ever level with 12,000 individual members, exhibition admissions income ahead of budget by £315k due to above target visitor numbers to *Sargent: Portraits of Artists and Friends* and *Audrey Hepburn: Portraits of an Icon*, which in turn had a positive impact on Retail income, which was £245k ahead of budget. There were underspends in most departmental budgets, most significantly in Exhibitions and Collections (£467k), Operations (£160k), Trading (£66k) and Communications and Development (£253k) but a significant part of this was due to budget phasing.

Visitors to the Gallery were up by 12% for the year to date compared to this point in 2014, and the September visitor numbers were particularly high, up by 31% in comparison to the previous September. This was mainly due to the hugely popular *BP Portrait Award 2015* and *Audrey Hepburn: Portraits of an Icon* exhibitions.

Total income for the Company was ahead of budgeted income by £289k for the period up to 30 September 2015. Retail sales income exceeded budget by £245k, the majority of which (£138k) related to the Exhibition Shop. The relocation of the Bookshop to the mezzanine floor in the Ondaatje Wing Main Hall was proving very successful with actual sales outperforming budgeted sales by 227% for the month of September. This resulted in Retail gross profit being ahead of budget by £214k.

The Key Performance Indicators for the quarter to 30 September signified that visits by children were down 14% compared to the previous year, and that visits by families had also decreased. Visits from NS-SEC 5-8 visitors were up by 88% compared to the same period during the previous year, and this could be attributed to *Audrey Hepburn: Portraits of an Icon*. Visits by UK adult BAME visitors were 51% higher compared to the previous year, and represented on average 15% of visitors of the half year. The Learning and Outreach statistics demonstrated that facilitated and self-directed child visits had fallen by 4% compared to the previous year, however child participation in outreach activities had declined by 40%. This could be due to the decrease in outreach activities offered by the Gallery, specifically related to two projects: National Memory Local Stories (NMLS), and Hospital School Outreach. In 2014 a total of 42 children attended workshops related to NMLS however there was no

equivalent project run in 2015. With regards to Hospital School Outreach, the Gallery was not able to deliver two full weeks of workshops in 2015 (as it had done in the previous two years) at Great Ormond Street Hospital due to extensive building work which was taking place at the time. This resulted in six fewer hospital outreach workshops taking place in 2015 compared to the previous year, with 136 children participating in total, compared to 314 in 2014.

Dr Brian Allen noted that these financial and visitor figures emphasised the importance of a strong exhibitions programme and offered congratulations to the Curatorial, and Exhibitions and Collections teams for their work during the year.

The Chairman thanked Dr Brian Allen for the report.

9(b) 2016/19 Corporate Plan context and Strategic Objectives

Nick Hanks presented the suggested structure of the draft Corporate Plan 2016/19 to which he proposed some changes compared to the format used in the previous year. The revised format would reduce the length of the Plan and focus attention on certain key strategies, activities and projects. In the case of the previous Corporate Plan, the Trustees had requested a document which reflected the strategic approach around the *Inspiring People* project. This draft also incorporated a reference to a 10 year vision, which was currently being prepared, and would articulate the direction of travel during and after the implementation of the *Inspiring People* project.

The six corporate objectives would need to tie into the *Inspiring People* key themes. The Key Performance Indicators (KPIs) were similar to those in the previous year but would need to be updated. Planning Team was in the process of reviewing the KPIs.

- THE TRUSTEES would review the draft Corporate Plan at the next Board meeting.

9(c) Portrait Trust

The Portrait Trust had met on 3 November 2015 during which meeting they had received a presentation from the Director and Deputy Director about the Learning Centre, and had also viewed the architectural model. The Portrait Trust had expressed a keen interest to work with the Gallery on the fundraising effort for the *Inspiring People* project.

Nick Hanks reported that over £20k had been paid to the Portrait Trust in accordance with the Trust's Memorandum of Understanding with the Gallery, to assist in funding its running costs and to fund small projects. Following the submission of a grant application to the Portrait Trust at its meeting on 13 July 2015, the Portrait Trust had paid the Gallery £43k from its Palley Gift funds in order to progress the plans for the Learning Centre.

9(d) Investment Report

Allegra Berman reported that the last few months had been challenging for world markets due to the financial situation in China and in Greece, and that global and emerging market fears had the potential to impact on the Gallery's portfolios.

The Investment and Contingency Fund stood at £3.8m as at the end of September which was a 2% decrease since March 2015. The Portrait Fund portfolio had decreased in value by 3% to £6.6m since March 2015, and the Catalyst Fund stood at £920k, a reduction of 2%. Much of the reduction had been in investments with some exposure to equities. However, in more recent weeks markets had rallied and losses had been recouped.

The Committee was due to meet again on 4 December 2015 and Partners Capital would provide an update on progress with the portfolios at this meeting.

The Chairman thanked Allegra Berman for the report.

10. Audit and Compliance Committee

David Ross reported that the last meeting had taken place on 22 October 2015. He provided a brief report covering the business that had been discussed at the meeting.

David Ross noted that the Committee had reviewed the results of the Staff Survey and the positive steps which had been taken to address the concerns expressed by Gallery staff in the survey. Committee members were reassured by the response that Gallery management had made to the survey, in particular the new proposals by the Director to encourage more open communication between staff at all levels, which included a Director's monthly open-office surgery, the inclusion of Heads of Departments at Senior Management Team meetings, and an All-staff Trustees briefing following each meeting of the Board of Trustees. The Committee had also received an update from the 18th Century Curator who represented the Employee Survey Working Group and explained to the Committee what the working group had been doing in order to address particular issues arising from the survey. One of the outcomes of this process was that there would be a staff survey scheduled for 2017.

David Ross then discussed the Committee's review of the Corporate Risk Register. The main risk continued to be the reduction in funding expected from the DCMS as a result of the upcoming Spending Review. He also drew attention to several risks where the profile had changed since the summer, in particular:

- The negative impact of local authority funding on the Gallery's regional partners, particularly Bodelwyddan Castle. The Director explained that he had recently visited this site and had written to the Council outlining his concerns. Another risk related to the clearance of rights and licences associated with the Gallery's now more complex exhibitions and associated publications. In response the Gallery was in the process of recruiting a Rights Clearance Co-ordinator to take on the management of the clearance of rights and licences.

The Chairman thanked David Ross for the report.

11. Information Security Policy

The Chairman welcomed Lee Winters, Director of Estates and Operations, and Robert McCracken, Head of Information Technology, to the meeting.

Lee Winters gave an introduction to the document and stated that it comprised a review and recommendations following the previous policy. It had been broken up into a suite of documents which would be more robust. The policy had been initially drafted by the previous Head of Information Technology, and updated by the current post holder, and the incoming Records Manager would subject the document to further review.

The purpose of the document is to define the policies, and to make clear to staff what data is and their responsibilities in storing and using this data. It underlines that all staff irrespective of their roles have a responsibility to be sensitive in their treatment of data at their disposal regardless of its usage. The policy also serves to bring the Gallery in line with PCI Compliance, and serves to identify training which is required for Retail staff and those

using the forthcoming Customer Relationship Management (CRM) system. It identifies sensitive information as that which is personal, financial or research based and the exposure of which could be harmful to the Gallery. The policy emphasises that each member of staff should have the necessary training and understanding to carry out their security-related responsibilities. It further stipulates that information must be separated into logical data classifications (for example, medical records, payroll data, images), and that each collection should be managed by an individual known as an “Information Guardian”.

The Trustees questioned what kind of harmful action could be taken against the Gallery’s IT systems, and suggested that this could consist of a breach of mini firewalls to access the HR database, or an external user gaining access to information about Gallery Members and Patrons. Robert McCracken stated that this information was currently stored off-site on a secure server, but that it would be brought in-house with the introduction of the new CRM system. A consultant would undertake a penetration test once the CRM system was in place to test its robustness against external threat.

In response to a question about whether the Gallery shared information technology intelligence with other arts organisations, Robert McCracken stated that he is a member of a forum made up of IT Heads of Departments from other museums and galleries which meets three times per year. The policy would be peer-reviewed before publication. It was also agreed that the risks to the Gallery relating to information security would be included in the Corporate Risk Register.

- THE TRUSTEES approved the updated Information Security Policy

12. Estates and Operations

The Trustees noted this report.

13. Communications and Development

The Deputy Director updated Trustees on the fundraising efforts undertaken by the Development team during the last period.

The Deputy Director affirmed that there are a variety of ways of generating income including Corporate sponsorship, Individual Giving, for example Patrons and Members, and Trusts and Foundations, which is usually project related. The Gallery sets a target at the beginning of the financial year and the Development Team works throughout the year to reach this target.

The Events Team has co-ordinated a high volume of venue hire bookings, and both private events income and Corporate events income was near its target figure. The team hoped that there would be continued interest in event hire in the build up to the forthcoming *Vogue 100* exhibition.

Membership had risen to its highest ever figure with over 14,000 individuals subscribed to the scheme. 12,104 Memberships had a 78% renewal rate, and the Membership Team hoped to sustain and increase this level of Individual Giving. The Gallery also enjoyed the support of a strong group of 156 Patrons, thirty of which took part in a group visit to New York in September 2015. They enjoyed a comprehensive schedule of events including a visit to *Sargent: Portraits of Artists and Friends* at the Metropolitan Museum of Art, a private visit to The Frick Collection, and a tour of the re-located Whitney Museum. The Development Team was in the process of re-assessing the different individual giving levels, and planned to

rationalise the current Portrait Circle level to facilitate better progression from Patron to major donor. Both 'photography' and 'young' Patrons groups were also under consideration.

The Gallery's *£10 Million Portrait Fund Challenge* continued to be widely promoted within the Gallery, and the total figure so far amounted to £8.67m. The Gallery had also begun fundraising for the *Inspiring People* project and was strengthening its relationship with prospective major donors. A fundraising gala for 2017 was in the early stages of development.

The Deputy Director stated that the Gallery was very fortunate to receive the long-term support of organisations including BP, Herbert Smith Freehills and Taylor Wessing, and hoped that this support would continue. The Trustees suggested that corporate organisations which wanted to be involved with cultural institutions could consider funding roles for under-represented communities within departments such as curatorial.

14. Participation and Learning

The Trustees noted this report.

15. Loans Out

The Trustees noted this report.

16. Any other business

The Trustees discussed the issue of admission charges in the cultural sector. The Chairman and the Director had attended a meeting with representatives from other national museums and galleries in late September 2015, and all had affirmed their commitment to free entry despite the anticipated reduction to Grant-in-Aid.

The Trustees suggested that the Government could consider ringfencing the funding for crucial Gallery activities such as learning and participation, and social provision and research programmes which are essential to the Gallery's remit to promote engagement with portraiture. There was an agreement amongst Trustees that the public lacked awareness about the challenging financial situation which museums and galleries nationally were experiencing, and agreed that more regular and positive press coverage could help to correct this.

The Trustees noted that some cultural institutions for example the Victoria & Albert Museum, Science Museum and Tate encouraged a recommended donation amount at the entrance of each of their sites, and that this could be considered by the Gallery in the future.

Appended list of portraits on offer

JOHN LENNON AND YOKO ONO, musician, co-founder and singer for The Beatles and artist, three bromide prints by John Lennon, 1968.

Offered by John Morton Morris as a gift, accepted.

JOHN WHARLTON BUNNEY, artist, charcoal on paper self-portrait, c.1860s.

Offered by Sarah Bunney as a gift, accepted.

PRINCE EDWARD, DUKE OF WINDSOR (KING EDWARD VIII), oil on board by Francis Owen Salisbury, 1917.

Offered for purchase at £2,800 by Richard Norris, approved.

SIR ARTHUR THOMAS SLOGGETT, army medical officer, oil on board by Francis Owen Salisbury, 1917.

Offered for purchase at £800 by Richard Norris, approved.

BERNARD LAW MONTGOMERY, 1ST VISCOUNT MONTGOMERY OF ALAMEIN, Field Marshal, two charcoal and chalk on paper drawings by Francis Owen Salisbury, 1945.

Offered as a gift by Richard Norris, accepted.

VIRGINIA WADE, tennis player, bronze head by David Wynne, 1972.

Offered by Nicola Bennett on behalf of the Estate of David Wynne as a gift, accepted.

SIR VICTOR GOLLANCZ, publisher, oil on canvas by Ruth Gollancz, mid 1930s.

Offered by Livia Ruth Gollancz as a gift, accepted.

CICELY MARY HAMILTON (née HAMMILL), writer and suffragist, charcoal drawing by Cyril Roberts, c.1945-1951.

Offered for purchase at £350 by Elizabeth Crawford, approved.

DAME MARY QUANT, fashion designer, pencil and collage by Bryan Organ, 1969.

Offered by the Redfern Gallery on behalf of the artist as a gift, accepted.

CHANTAL JOFFE, artist, oil on canvas self-portrait, 2008.

Offered by Victoria Miro, London as a gift, accepted.

The Lucian Freud Archive

47 sketchbooks spanning various dates, 162 loose childhood drawings, a collection of letters from Lucian Freud (approximately 50), etching of William Feaver by Frank Auerbach, 49 loose watercolours and etchings by Ernst Freud, private view cards, pamphlets and flyers, 2 VHS tapes, 1 cassette tape, manuscripts, proofs of texts and newspaper cuttings relating to Lucian Freud, and 1 box of art books and pamphlets.

Allocated as part of the Acceptance in Lieu scheme from the Estate of Lucian Freud for the Archive, accepted.

ERNO GOLDFINGER, architect, gelatin silver print by André Kertész, 1980.

Offered for purchase at £3,000 by the James Hyman Gallery in honour of Sandy Nairne, approved.

TILLY LOSCH, dancer and actress, gelatin silver print by E O Hoppé, 1928.

Offered for purchase at £3,900 by the Hoppé Estate, approved.

WILLIAM MAKEPEACE THACKERAY, novelist, 1/9th plate daguerreotype by an unknown daguerrotypist, early 1850s.

Offered for purchase at £8,505 by Vintage Works Ltd, approved.

The Rosalind Adams Archive

105 photographs and 6 sitter books relating to the studios of Marcus Adams, Gilbert Adams, Bertram Park and Yvonne Gregory.

Offered for purchase at £5500 by the Rosalind Adams Estate through William Thuillier, approved.

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Signed by the Chairman

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Date