

National Portrait Gallery

763RD MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on **Thursday 17 March 2016**

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
Lord Janvrin
Dr Joanna Kennedy
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
Mrs Helen Hillman, Manager, Director's Office (on maternity leave)
Ms Ellie Darton-Moore, Manager, Director's Office (minutes)

1. Chairman's business

The Chairman welcomed Helen Hillman to the meeting. The Trustees looked forward to welcoming Mrs Hillman back to her role as Manager, Director's Office at the end of April 2016.

The Chairman congratulated the Deputy Director on being awarded the OBE in the Queen's New Year Honours list.

The Chairman extended his thanks on behalf of Trustees to Dr Polly Blakesley for the role she played in successfully bringing the exhibition *Russia and the Arts: The Age of Tolstoy and Tchaikovsky* to fruition.

2. Apologies and Declarations of Interest

Apologies for absence were received from The Rt Hon Chris Grayling MP and Mr Christopher Le Brun. No new declarations of interest were made.

3. Minutes of the previous meeting

Professor Dame Marina Warner requested that the occupation of Cicely Mary Hamilton (née Hamill) on the appended list of portraits on offer be amended from suffragette to suffragist. Following this amendment, the minutes of the meeting held on 05 November 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 reported that visitor figures for the 2015 calendar year had been excellent with a record 2,145,486 visitors, an increase on the previous record set in 2012. The *Audrey Hepburn: Portraits of an Icon* exhibition had exceeded its target with 126,687 visitors in attendance compared to 75,000 projected. The *Giacometti: Pure Presence* exhibition had received very favourable reviews however had fallen short on visitor numbers, with 48,317 in attendance compared to the target of 65,000. The *Taylor Wessing Photographic Portrait Prize 2015* had also fallen short of target visitor numbers with 53,821 in attendance compared to 60,000 projected. The Director stated that an internal review meeting had recently taken place to discuss ways in which this exhibition could be refreshed, and the recommendations would be circulated in due course.

The Director noted that the Frame Conservation team had done an excellent job of preparing for *Vogue 100: A Century of Style* with over 190 photographs having been mounted in-house. The Director reported that the discussions around the acquisition of the portrait of Dylan Thomas by Augustus John would continue as an agreement had not yet been reached with the owners.

The Director reported that following 18 years at the Gallery, Mr Robin Francis, Head of the Archive and Library, would retire at the end of April 2016. A review of the Archive and Library was due to take place in advance of this. The position of Records Manager remained vacant, and a new recruitment campaign was due to begin shortly.

Following a discussion with Professor Dame Marina Warner, the Director drew Trustees' attention to the threatened change in circumstances of the British School at Rome (BSR), which could shortly cease to offer programmes abroad following a change in relations with the Government. It was suggested that the Gallery could collaborate with BSR to offer a curatorial research fellowship post. Professor Dame Marina Warner and the Director would discuss this further with Dr Peter Funnell, Head of Research.

The Director extended his thanks to Dr Tarnya Cooper, Chief Curator, and Shamailla Rashid, HR Manager, for their undertaking of the Curatorial Review which had now been completed. The Director clarified that the unions had been consulted throughout the process, and that the review had not affected the size of the research department, but that this had merely been merged with the Archive and Library.

The Director stated that the recently introduced measures to improve communication at the Gallery were proving successful. The quarterly all-staff briefings following each Trustees meeting worked well, and he invited Trustees to take part. The Director's monthly open office sessions had been well attended, and staff had raised some interesting issues for discussion, for example, Visitor Services staff had suggested that if possible, exhibition plans should be shared with colleagues earlier in the planning process so that Visitor Services Assistants (VSA) could advise over crowd control. The Director had also attended a Visitor Services meeting and discussed with staff their desire to have the opportunity to volunteer in other departments around the Gallery. The Director informed Trustees that he was exploring the possibility of re-designing the VSA uniform in consultation with Alexandra Shulman, Editor-in-Chief, British Vogue.

The digital judging round of the *BP Portrait Award 2016* had taken place in February with the Director chairing a panel of judges including the writer, Alan Hollinghurst, the Director of the Scottish National Portrait Gallery, Christopher Baker and the artist, Jenny Saville. The panel had narrowed down the 2,557 submissions to 442 works which would be shortlisted during the following week. The Director reported that BP had recently announced its decision to cease funding to Tate. BP sought to renew funding the National Portrait Gallery for five years from 2018 and the Trustees were supportive of this.

The Chairman thanked the Director for his report.

6. Offers for Consideration

The Head of Collections (Victorian to Contemporary) and Curators presented the works on offer, which consisted of a bromide print of Sylvia Plath and Ted Hughes, and a bromide print of Sylvia Plath, both by an unknown photographer, a bronze bust of Cecil Beaton by Frank Dobson RA, an egg tempera on linen self-portrait by Joseph Edward Southall and Anna Elizabeth Southall, an oil on canvas self-portrait by Henryk Gotlib, a collage self-portrait by Nigel Henderson, an archival watercolour pigment print on Hahnemuhle rag paper of Sandy Nairne by Chuck Close, an oil on canvas of Dame Gail Rebeck, Baroness Rebeck of Bloomsbury, by Jennifer McRae, an oil on canvas self-portrait fragment by Lucian Freud, allocated as part of the Acceptance in Lieu scheme from the Estate of the Lucian Freud, and a distressed bronze cast with gold plating self-portrait by Tracey Emin. 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 TRUSTEES approved the acquisition of the portraits on the appended list.

7. Update on Current Commissions

Sarah Howgate, Contemporary Curator, presented an update on current commissions. The commissioned portrait of Dame Sally Davies would be presented at the next meeting of the Board of Trustees in May 2016. JP Morgan had agreed to fund the proposed commission of a group of British Film Industry Sitters, which would be undertaken by the artist Nina Mae Fowler. The list of sitters agreed in 2013 would be re-evaluated and a project manager would be appointed to oversee the commission. Sir Stelios Haji-Ioannou would meet with the Director and the Contemporary Curator in early April to view his commissioned portrait by Mary-Jane Ansell.

8. Inspiring People update

The Deputy Director reported that there had been significant progress on the *Inspiring People* project since the last meeting.

An external consultancy, Fraser Randall, began working with the Gallery in late 2015 to assist in the preparation process for the project. Jeremy Hull and Kevin Hill, both of whom have experience in Heritage Lottery Fund (HLF) bids, attend the fortnightly meetings of the Project Planning Group.

The Deputy Director reported that the Project Planning Group had reviewed the project budget to determine which components were essential, in an effort to reduce the overall cost from £50 million down to the initial target of between £35 and 40 million.

The Deputy Director stated that, following the exploratory work undertaken by Haworth Tompkins, the Learning Centre project would, in due course, be subjected to a tender process. It was predicted the building work could result in 18 months disruption to Gallery spaces and this necessitated a forward plan around how the Gallery would continue to income generate during this period.

The Director, Deputy Director, Director of Finance and Planning, Director of Learning and Participation, and Senior Trusts Fundraising Manager had attended a meeting with Stuart Hobley, Head of HLF London, and Simona Spoglianti, Senior Grants Officer, HLF in February. HLF had provided useful feedback on the Gallery's draft application, and had advised colleagues to scale back the projected staff budget, and to reiterate the importance of the 'Why now?' aspect of the project.

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 £494k at the end of January 2016 with income £0.8 million ahead of budget, and expenditure £1.9 million below budget, resulting in a positive variance of £2.7 million.

Core income was ahead of budget by £0.3 million, which was partly due to Individual Giving Membership being £545k ahead of target, which itself was as a result of the deferred income adjustment carried forward from the previous year. Exhibitions income was ahead of budget by £49k as a result of considerable numbers of advance tickets sold for *Vogue 100*. However, this was down on the position earlier in the year which had benefitted from early gains made by both the *Sargent* and *Hepburn* exhibitions but which had later been offset by the below budget performance of *Giacometti: Pure Presence*. Retail income was £212k ahead of budget due to the success of recent exhibitions, and Events income was £75k ahead of budget due to strong performances in evening hire and corporate hire activities. Restricted income was ahead of budget by £506k, largely due to a donation towards the *Inspiring People* project (of £333k), and additional income earned from the *Catalyst Endowment* fundraising. There were underspends across all departmental core budgets, most significantly in Exhibitions and Collections (£252k), Operations (£45k) and Communications and Development (£123k), due to budgets being flat phased rather than reflecting expected spending patterns. Project spend was £1,013k below budget due to unspent funds in Exhibitions and Collections (£114k) – of which £88k related to National Programmes – Learning (£199k), Operations (£92k) and Acquisitions (£332k).

Total income for the Company was ahead of budgeted income by £253k for the period up to 31 January 2016. Retail sales income exceeded budget by £212k which was largely due to sales associated with the *Sargent* and *Hepburn* exhibitions. The Exhibition shop had been closed for 4 weeks due to the set build for *Vogue 100* which had resulted in a loss of around £20k. The relocation of the bookshop continued to prove successful, with actual sales outperforming budgeted sales by £16k for the month of January. Despite the bookshop being closed for refurbishment throughout June 2015, year to date sales were £123k above budget. Company profits were ahead of budget by £173k.

Dr Brian Allen noted thanks to the Director of Trading for his continuing hard work to ensure the success of the bookshop.

The Key Performance Indicators for the period up to December 2015 would be reviewed at the next Board meeting.

The Chairman thanked Dr Brian Allen for the report.

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

The Trustees reviewed the draft 2016/19 Corporate Plan and Strategic Objectives, which had been revised following the last Board meeting to reflect the strategic approach around the *Inspiring People* project and now articulated the direction of travel during and after the project implementation.

Trustees commented that the way in which the document had absorbed the key aims of *Inspiring People* was clear and positive however, there was some further work to be done to align the aims and objectives. The Director of Finance and Planning confirmed that the target audience for the 7 propositions and 6 key themes was the Gallery and DCMS, and that these had been incorporated as a result of DCMS guidance. Trustees recommended that 'Research' be incorporated into point 5, and praised the positive language around the Network of Champions.

9(c) Portrait Fund

The Chairman reported that the Portrait Fund was considering supporting the acquisition of one of the portraits for consideration with a contribution of £100k, to be drawn from the Fund in 2016/17. Despite the ongoing support from the Portrait Fund towards the Gallery's acquisitions programme, there was still an ambition to reach the £10 million Portrait Fund target by the end of the next financial year.

9(d) Investment Report

Allegra Berman reported that the Investment Committee had last met on 9 February 2016 and that the minutes had been circulated to Trustees with the papers for this meeting. To follow best practice the Committee would conduct a review of the Gallery's investment advisers, a process which should be carried out once every 5 years. The Director of Finance and Planning, and Committee Member Anthony Brooke, had met with the partner of a small firm of consultants who undertook such reviews for Charity clients, and had received a quote to undertake this work. The Committee had reviewed the quotation at its meeting but decided on reflection to conduct the review in-house. The Committee would invite a small number of investment advisers, including Partners Capital, in for an information gathering exercise to ascertain the strategies that different advisers might propose for the Gallery's investments. A list of suggested advisers would be reviewed at the next Committee meeting in May and shortlisted advisers would be invited to the Gallery following this.

The Chairman thanked Allegra Berman for the report.

Nick Hanks reported that as the former Director, Sandy Nairne, had retired, he could no longer be a signatory on behalf of the National Portrait Gallery for the Partners Capital and HSBC Luxembourg Custody accounts. Nick Hanks tabled a minute for approval by Trustees which nominated Dr Nicholas Cullinan as the new signatory, in place of Sandy Nairne.

- THE TRUSTEES approved the minute for inclusion in the minutes of the 763rd meeting of the Board of Trustees held on 17 March 2016

Minute approved by the Trustees:

The Trustees are appointing Dr Nicholas Cullinan as the new signatory, in place of Sandy Nairne, for the Partners Capital and HSBC Luxembourg Custody Accounts. The Trustees authorise Dr Cullinan and the existing signatory – Nick Hanks, Director of Finance and Planning – to sign all related contracts on behalf of the National Portrait Gallery and that any authorised signatory signing singularly will be acceptable.

9(e) Reserves Policy

- THE TRUSTEES approved the updated Reserves Policy

10. Audit and Compliance Committee

David Ross reported that the Audit and Compliance Committee had last met on 25 February 2016. He provided a brief report covering the business that had been discussed at the meeting.

The Committee had reviewed the Corporate Risk Register and identified two main concerns. Firstly that there was an increased risk surrounding the provenance of certain works in the Collection in relation to spoliation. This was being addressed through continued, dedicated research to check for works in the Collection which might be subject to spoliation risk. Until the research programme had been completed the risk was to remain at a heightened level. The Committee also noted the increased workload experienced by the Development Team as a result of the *Inspiring People* project, over which there were concerns that the fundraising for the project could divert the Team's efforts to fundraise for support for the Gallery's normal operations. There was also a discussion about the impact which the EU referendum vote would have on the Gallery. The result was a Brexit. The Committee agreed that there was little direct impact on the Gallery for the Gallery to respond in the short-term. There were three risks for which the profile had recently improved:

- As a result of the Autumn Spending Review in which the Gallery was allocated a flat cash settlement, this risk reduced from red to amber.
- The Gallery had conducted a review of security at Bodelwyddan Castle, and there was an action plan in place to mitigate the negative impact of reduced local authority funding to this regional partner resulting in the risk reducing from red to amber.
- The *Picture the Poet* project was nearing completion following close liaison with Arts Council England, National Literacy Trust, Apples and Snakes and all partner venues with the result that this risk was reduced from amber to green.

David Ross reported that progress was continuing to be made in implementing internal audit recommendations. He also reported that there were no outcomes following the National Audit Office review of the Gallery and Company during the interim audit.

The Committee had reviewed a report covering the Company's progress to date and were pleased that it appeared the Company was likely to deliver greater profits in the year than its budgeted target. The Committee also reviewed the Company's audit strategy for the upcoming year end. There were no material changes in the strategy compared to that for the audit in the previous year.

Finally the Committee had received an informative discussion from the Gallery's Sales and Ticketing Manager, Steven Payne, who was the project manager for the implementation of

the new Customer Relationship Management and Ticketing System. The discussion focused on the benefits the new CRMTS would deliver to the Gallery.

The Chairman thanked David Ross for the report.

11. Family Strategy

The Chairman welcomed Liz Smith, Director of Participation and Learning, to the meeting.

Liz Smith presented the Family Strategy, a document which reflected the Gallery's ambition to build and increase the engagement of family audiences. The 2013-16 Corporate Plan identified families as a priority audience and the Gallery was keen to increase the family audience from 7% to 12% of overall visitor profile.

The current problems with the Gallery's family programme were identified as follows:

- Lack of orientation and signage for families
- The capacity of the Learning Centre was inadequate for the number of visitors the Gallery sought to attract
- There was a lack of self-directed experience to connect with the targeted family programme
- The scale, offer and location of the Portrait Café was not family friendly

In 2008 market research demonstrated that the Gallery was one of the least successful national museums and galleries in London at attracting family visitors. Further market research was therefore conducted by Morris Hargreaves McIntyre in 2009 and the focus of this was to establish the principles that underpin a visit to the Collection. One of the major findings of this research was that the Gallery should not rely solely on programming, but that the facilities, entrance and welcome to the Gallery were also important for families. As a result of this research a Family Audio guide was developed in 2010, and a Family Visual Identity was developed in 2011 with an associated toolkit of illustrations to be used across a range of media including resources, print and signage. The Family Activity Base constituted the most exciting development and had been used by 17,000 family members in the calendar year 2015-16. This represented an initial investment in family provision but there was more work to be done, especially due to the fact that there has been significant investment in this area by the Gallery's competitors over the past 5 years.

Liz Smith encouraged the Trustees to consider what could be implemented between now and the delivery of the *Inspiring People* project, and presented an initial list of recommendations including:

- Exploring more developmental marketing techniques
- Harnessing the use of digital
- Developing a range of content themes to engage the whole family across all age-groups both on-site and online
- Introducing additional intuitive open-ended family-focused interpretation

The Trustees discussed ways in which the Gallery could raise the profile of its family offer, ways to increase links with the National Curriculum, and whether Late Shift events could be adapted for families. There was a suggestion that families could be used to grow the Gallery's volunteer base, and that this could enhance the welcome and atmosphere for family visitors. It was agreed that there was scope to explore the introduction of a new family trail, one which could not only be *for* family audiences but also *about* the modern family, to engage all visitors. The Trustees suggested developing another prize exhibition, of

portraits by children, which could be a good way of engaging a more diverse audience. A similar model had been run by National Galleries Scotland.

The Chairman thanked Liz Smith for the report.

12. Digital Strategy

The Chairman welcomed Sarah Tinsley, Director of Exhibitions and Collections, and Oliver Vicars-Harris, Digital Consultant, to the meeting.

Sarah Tinsley introduced the Digital Strategy which represented the Gallery's commitment to developing its digital offer as a key component of its overall ambitions moving forward. She reported that it had been a considerable period since the Gallery had made an investment in digital, and that the Gallery's competitors were now further ahead. Using the *Inspiring People* project as a motivator, the time was right to harness the enthusiasm of staff across departments and implement a strategy for the future. The use of images and open access had not been agreed upon but would be discussed internally and fed back to Trustees at a later stage.

Oliver Vicars-Harris stated that the Digital Strategy was not a radical document, but represented a step-change for the National Portrait Gallery, which was falling behind other cultural organisations. He stated that the return on investment around digital was significant, and that it would also bring indirect returns such as increased ticket sales, partnerships and image revenue. The website would need to be balanced against other digital investments. The next step would be to undertake more detailed implementation planning. The priority would be to develop a high quality devolved digital culture which pervaded every area of the organisation. It was recommended that the Gallery should relax control on its content and allow its audience to have a voice. In terms of overall culture, the Gallery should be open to risk and willing to fail.

The Trustees were keen to understand which cultural institutions delivered a strong digital offer. Oliver Vicars-Harris stated that this was undertaken most successfully in the United States, in particular by organisations including The Metropolitan Museum of Art and the Museum of Modern Art. The V&A offered a good model in the UK, with its digital audience four times bigger than physical visitors. Following the report, Trustees agreed that the most successful digital strategy is an evolving strategy, and discussed funding options to ensure that the Gallery's digital offer could be developed, rather than simply maintained, going forward. The Trustees agreed the need to take risks and to build digital development into the core budget, which would be reviewed as the next step.

The Chairman thanked Sarah Tinsley and Oliver Vicars-Harris for the report.

13. Estates and Operations

The Trustees noted this report.

14. Communications and Development

The Trustees noted this report.

15. Participation and Learning

The Trustees noted this report.

16. Loans Out

The Trustees noted this report.

17. Any other business

There was no other business.

Appended list of portraits on offer

SYLVIA PLATH AND TED HUGHES, poet and writer, and Poet Laureate, bromide print by unknown photographer, 1956.

Purchased at auction, Bonhams, approved.

SYLVIA PLATH, poet and writer, bromide print by unknown photographer, 1949.

Purchased at auction, Bonhams, approved.

CECIL BEATON, photographer, designer and writer, bronze bust by Frank Dobson R.A., c.1930.

Purchased at auction, Wooley and Wallis, approved.

JOSEPH EDWARD SOUTHALL AND ANNA ELIZABETH SOUTHALL, artists and craftspeople, egg tempera on linen self portrait.

Offered for purchase at £382,920 by Judith Smyth, approved.

HENRYK GOTLIB, artist, oil on canvas self-portrait, 1956.

Offered by Anne Dockery as a gift, accepted.

NIGEL HENDERSON, artist, collage self-portrait, 1980.

Offered for purchase at £5,250 by Richard Saltoun Gallery, approved.

LUCIAN FREUD, artist, oil on canvas self-portrait (fragment).

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

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Signed by the Chairman

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Date