

# National Portrait Gallery

## 766<sup>TH</sup> MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on **Thursday 3 November 2016**

**Present:**

- Sir William Proby (Chairman)
- Dr Brian Allen
- Ms C Allegra Berman
- Professor Dame Carol Black
- Dr Rosalind (Polly) Blakesley
- Mr Rob Dickins
- Ms Kim Evans
- Dr Joanna Kennedy
- Dr Andrew Roberts
- Mr David Ross

**In attendance:**

- Dr Nicholas Cullinan, Director
- Mrs Pim Baxter, Deputy Director and Secretary to the Board
- Mrs Helen Hillman, Manager, Director's Office (minutes)

### **1. Chairman's business**

The Chairman reported that the selection process for three new Trustees was underway, and that interviews would be taking place shortly. A number of strong applications had been received for all three positions, and following the completion of Stephan Shakespeare's term as a Trustee in October 2016, it was hoped that, should an appropriate fourth candidate be identified during the current round of interviews, they might be able to be appointed to this position without starting a new competition. Trustees agreed that it would be useful to see a breakdown of the backgrounds of applicants, and the number of applications for each post, in the future.

### **2. Apologies and Declarations of Interest**

Apologies for absence were received from The Rt Hon Chris Grayling MP and Mr Christopher Le Brun. The Trustees noted Rob Dickins' part ownership of Rockarchive, with whom the Gallery conducts business from time to time.

### **3. Minutes of the previous meeting**

Subject to a small amendment, the minutes of the 765<sup>th</sup> meeting held on Thursday 7 July 2016 were agreed by the Trustees and signed by the Chairman.

### **4. Matters arising**

There were no other matters arising.

### **5. Director's Report**

The Director reported that the *BP Portrait Award 2016* had been a success and had received good reviews. *William Eggleston Portraits* had been particularly popular, exceeding its 50,000 target with a total of 56,000 visitors. *Picasso Portraits* had already received over 39,000 visits since opening on 6 October. Attendance overall had been lower over the summer of 2016 than in 2015, and this had been a trend across the majority of other London museums and galleries this year. Trustees also noted that this year's attendance was being compared to the

period in 2015 when *Audrey Hepburn Portraits* had been running, which had attracted an exceptionally high number of visits. Pim Baxter added that the Association of Leading Visitor Attractions had also cited the threat of terrorism and the amount of competition from other attractions as reasons for the decline.

The Director was pleased to report that the acquisition of the portrait of Edward and Elizabeth Southall ('The Agate') was now complete.

The Trustees noted that, following the completion of Gus Casely-Hayford and Robin Janvrin's terms as Trustees, the Investment Committee and Audit and Compliance Committee would need to recruit new Trustee members. It was agreed that this would be done once the outcome of the current Trustee recruitment process was known. The Trustees approved the nomination of Rob Dickins as a Director of the National Portrait Gallery Trading Company Ltd, and this would be ratified at the next meeting of the Trading Company Board.

## **6. Offers for Consideration**

The Curatorial Director and Curators presented the portraits on offer to the Gallery, which included a portrait of Sir Thomas Lawrence's unfinished portrait of Arthur Wellesley, 1<sup>st</sup> Duke of Wellington, for which a public appeal for funding had been launched; and a collection of photographs by Alfred Eisenstaedt.

- THE TRUSTEES approved the acquisition of the portraits on the appended list.

## **7. Update on Current Commissions**

### **8. *Inspiring People* update**

The Deputy Director reported on progress with the *Inspiring People* project. The Heritage Lottery Fund (HLF) application was nearing completion and it was hoped that this would be submitted by 28 November at the latest. As part of this, colleagues were working on securing letters of support from neighbours and other organisations, the project's activity plan, the risk register, an executive summary to be prepared by Haworth Tompkins, budget work and job descriptions for new posts. Alongside the HLF work, a Strategic Outline Case was being prepared for the DCMS.

Kim Evans (KE) reported that she and Joanna Kennedy (JK) were currently members of the Project Board, although it was likely that they may be joined or substituted by other Trustees as the project progresses. She and JK were convinced that the Gallery had an exciting project, and the challenge going forward would be finding the best way to express this in terms of the project's vision. KE and JK felt that the governance structure of the project was robust. JK added that it would now be essential to put together a detailed timetable of works and their impact on areas of Gallery activity, and Trustees agreed that it would be helpful to see a project timeline with the next meeting's papers. JK said she had high confidence in the delivery of the project. The Chairman thanked KE and JK for their time.

The Trustees reviewed the 150-word summary which would be required as part of the HLF application, and agreed that this was along the right lines. The Trustees were supportive of the Executive Summary, and agreed that the Chairman, JK, KE and Allegra Berman should review the HLF application in full before its submission.

## **9. Finance and Planning**

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

### **9(a) Management Report for six months to 30 September 2016**

Brian Allen (BA), Finance Trustee, reported that at the end of September, income was £96,000 under budget and expenditure was £1.712 million under budget, resulting in a positive variance of £1.616 million. However, some of this under spend related to expenses which had not yet been invoiced. Trading income remained considerably ahead of budget, and exhibition-related income was also ahead, thanks to the success of *Vogue 100* and *Russia and the Arts*. Advanced sales for *Picasso Portraits* had totalled £36,000 as at 30 September. However, there were a number of income lines which were behind budget, some as a result of timing differences, which meant that the overall income position was a small shortfall as at the end of September.

The Trading Company's income was £182,000 ahead of budget, and the Bookshop continued to perform well. The profit for the Company was ahead of its budget and ahead of the same point last year, which was impressive considering the fall in visitor numbers in comparison to 2015.

The Key Performance Indicators showed a fall in website visits and in NS-SEC visitors to the Gallery, but a slight increase in family visits. The Chairman thanked BA for the report.

### **9(b) DCMS Management Agreement**

NH highlighted the changes that had been made since the last agreement was signed in 2014. Several points had been queried with the DCMS and the Gallery was awaiting a response. The Trustees noted the DCMS's requirement that a Board self-evaluation take place annually. Trustees were content for the Chairman and the Director, as Accounting Officer, to sign the Agreement.

### **9(c) 2017/22 Corporate Plan Context and Strategic Objectives**

NH had circulated the five-year Corporate Plan framework, which he explained would be supported by a five-year budget. The narrative had been reworked to make the document a standalone plan, in the absence of a more strategic document which the Corporate Plan had been linked in the past. The plan would now have to begin to dovetail with the *Inspiring People* project. The Trustees acknowledged that the Gallery would need to be mindful of the impact of the closure of some exhibition spaces during the period 2020-22 on its Key Performance Indicators, and colleagues would be looking at options to offset this, including the possibility of sending more works out on tour and using the East Wing as a swing space for programme activities.

### **9(d) Portrait Trust update**

NH reported that the Portrait Trust had met earlier that week, and that the main item of business had been an update on the *Inspiring People* project by the Director and the Deputy Director. The Trust's annual report and accounts from 2015/16 had also been approved and signed.

### **9(e) Investment update**

Allegra Berman (AB), Chair of the Investment Committee, reported that the Investment Committee had reviewed its advisors in July, and following a round of interviews, had reappointed Partners Capital for another five years. At the end of September, the Investment and Contingency Fund stood at £4.2 million, an increase of 7.7% since April, which was significantly ahead of its benchmark. Both the Portrait Fund and the Catalyst Fund had increased in value by 5-6% since April, but had still underperformed against their benchmarks due to their reduced exposure to duration risk compared to the benchmark. The Committee had reviewed the current return targets for all the portfolios and had agreed that they were

now untenable in the present investment climate, and Partners Capital had therefore been instructed to reduce the return objectives for the portfolios to keep the risk in the portfolios low and to preserve funds.

#### **10. Audit and Compliance Committee: Risk Management update**

Kim Evans (KE), who had chaired the last Audit and Compliance Committee (A&CC) meeting, updated the Trustees on the Committee's recent business. At its last meeting, the A&CC had rationalised the spending authorisation limits for Directors, and had discussed the museums and galleries tax relief proposal which was currently in consultation between DCMS and HM Treasury. The Gallery had submitted its feedback on the tax relief proposal to the National Museum Directors' Council, which would consolidate and submit a response to the Treasury.

The Committee had reviewed the Corporate Risk Register, and had raised the partnership risk associated with Bodelwyddan Castle Trust to red (this would be discussed in the following agenda item). The risk relating to rights clearance for exhibitions had been reduced following the appointment of a Picture Researcher, and the risk relating to the loss of key staff had also been reduced following recent appointments to several key posts.

The Internal Audit programme for 2016/17 was progressing to timetable, and work continued on the completion of some outstanding recommendations from previous years. The National Audit Office had presented its Audit Planning Report for 2016/17, and the Committee had also reviewed the Company's position and its Risk Register.

#### **11. National Programmes Strategic Update: Regional Partners**

Sarah Tinsley (ST), Director of Exhibitions, and Laura Down (LD), Head of National Programmes, joined the meeting. ST reported that the Gallery's partnerships with Montacute House and Beningbrough Hall continued to go well. She updated the Trustees on the status of the Gallery's partnership with Bodelwyddan Castle Trust, which had encountered some difficulties due to the reduced level of local authority funding received by the Trust and a proposed takeover by a hotel chain. Although colleagues had been doing all they could to support the Trust and secure the continuation of the partnership, the future was uncertain and the Gallery was in the process of costing out a number of contingency options should the relocation of the 19<sup>th</sup> century portraits currently on display at the Castle be necessary. Trustees would be updated in due course once the way forward became clearer.

#### **12. Annual Health and Safety Update**

The Director introduced Cathy Arnold (CA), Director of Estates and Operations, who had joined the Gallery the previous month. CA reported that the Gallery continued to use the V&A Museum's advisors for its Health and Safety (H&S) provision, and this seemed to be working well. The Gallery was in the process of updating staff training to increase awareness of H&S. The level of accidents over the last year had remained at a very low level, although of course anything that could be done to reduce this still further would be favourable. The Trustees noted a recent 'near miss' involving the revolving glass door at the Main Entrance, and it was agreed that the *Inspiring People* project should provide an opportunity to improve the safety and effectiveness of the Main Entrance. CA also reported that a new Contractor Handbook had been developed during 2016, and this was now being introduced to contractors. She confirmed that wellbeing would, in due course, be integrated with H&S and this was welcomed by the Trustees. The Chairman thanked CA for the report.

#### **13. Annual Research Report**

Peter Funnell (PF), Head of Research, joined the meeting and ran through some of the key points contained within the Research Report. The main research project in development at

present centred around the Lucian Freud Archive, and funding had now been received to allow the Gallery to undertake the cataloguing of the archive. Although individual staff research projects were not noted in the report, PF highlighted the fact that there were around 35 active researchers on the Gallery staff, and the Trustees recognised their considerable achievements.

**14. Reports to note**

The Trustees noted reports on Communications and Development, Participation and Learning and outgoing loans.

**15. Any other business**

There was no other business.

**Appended list of portraits on offer**

**JANE SEYMOUR**, third wife of King Henry VIII, oil on panel after Hans Holbein the Younger, c.1537.

Purchase at auction, Cheffins, Cambridge, 16 June 2016 (lot 806) noted.

**JOSEF WOLF**, naturalist painter and illustrator, oil on board by William Logsdail, c.1887.

Purchase at auction, Bonhams, London, 28 September 2016 (lot 81) noted.

**ARTHUR WELLESLEY, 1<sup>ST</sup> DUKE OF WELLINGTON**, Field Marshal and Prime Minister, oil on canvas by Sir Thomas Lawrence (unfinished), 1829.

Offered by Timothy Clode for purchase.

**MRS ELMA STUART**, close friend and confidant of George Eliot; author and nutritionalist, watercolour on paper by Sir Hubert von Herkomer, 1893.

Offered by James Corcoran for purchase approved.

**ARTHUR BINGHAM WALKLEY**, civil servant and theatre critic, drawing by Sir William Rothenstein, 1925.

Offered by Charlotte Lightbody as a gift, accepted.

**WILLIAM GASKILL**, theatre director, drawing by David Hockney, 1972.

Offered by the Estate of William Gaskill as a bequest, accepted.

**BERTRAND ARTHUR WILLIAM RUSSELL, 3<sup>RD</sup> EARL RUSSELL**, philosopher, mathematician and social reformer, bromide print, 1951 (printed 1980s) by Alfred Eisenstaedt;

**CHRISTOPHER FRY**, playwright, bromide print, 1951 (printed 1980s) by Alfred Eisenstaedt;

**AUGUSTUS JOHN**, painter, bromide print, 1951 (printed 1980s) by Alfred Eisenstaedt;

**GEORGE BERNARD SHAW**, playwright, bromide print, 1932 (printed 1980s) by Alfred Eisenstaedt;

**CHARLIE CHAPLIN**, film actor and director, bromide print, 1966 (printed 1980s) by Alfred Eisenstaedt;

**SOMERSET MAUGHAM**, novelist, playwright and spy, bromide print, 1942 (printed 1980s) by Alfred Eisenstaedt.

Offered by Allan Leas for purchase) for all six works, approved.

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Signed by the Chairman

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Date