

National Portrait Gallery

742nd MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on
Thursday 21 October 2010

Present:

Professor Sir David Cannadine (Chairman)
Ms Zeinab Badawi
Professor Dame Carol Black
Sir Nicholas Blake
Dr Rosalind P. Blakesley
Dr Augustus Casely-Hayford
The Marchioness of Douro
Kim Evans
Lord Janvrin
Sir William Proby
Mr David Ross
Professor Marina Warner

In attendance:

Mr Sandy Nairne, Director
Mrs Pim Baxter, Deputy Director
Mr Jacob Simon, Chief Curator

1. Chairman's business

The Chairman welcomed Kim Evans and noted that the process for her appointment as Trustee was about to be completed. Her attendance at the meeting was in a non-voting capacity. He reported with regret that David Mach had decided not to seek a second term of office. There was thus a vacancy for an artist trustee. Suggestions for candidates should be made to the Director as soon as possible to feed into the DCMS selection process. The Chairman drew attention to the success of the recently opened Thomas Lawrence exhibition. He also welcomed Emily Candler, Senior Associate, Cultural Leadership Programme, who was in attendance as an observer.

2. Apologies for absence and Declarations of interest

Apologies for absence were received from the Rt Hon. Nick Clegg, Dame Amelia Fawcett and Sir Nicholas Grimshaw. Relating to agenda item 6, Lady Douro declared an interest as the owner of various photographs by Dmitri Kasterine.

3. Minutes of the last meeting

The minutes of the meeting held on 1 July 2010 were approved.

4. Matters arising

The Director reported that he had visited Nick Clegg in his capacity as an ex-officio trustee and had set out the Gallery's current activities. The Chairman said that the BP Portrait Award had been very successful despite the adverse publicity around BP.

5. Director's report

The Director reported that the relocation of paintings and sculpture in storage to the Tate store would take place in February and indicated that there would be an opportunity for Trustees to visit the new store, perhaps on the morning of the July Trustees' meeting. He noted the success of the Trustees' Review Day and on its usefulness for senior management. He reported that the experimental use of LED lighting in two top floor

galleries had now been evaluated, including the significant cost savings, and that it was proposed to continue a gradual process of installing such lighting in other rooms while continuing to seek the best possible fittings on the market. He drew attention to the Gallery's work on the Creative & Media Diploma as a qualification for young people aged 14-19. The Chairman welcomed the good visitor attendance figures.

6. Portraits on offer

The Director reported that William Hoare's portrait of Ayuba Suleiman Diallo, had been the subject of extensive discussions with the Qatar Museums Authority following their refusal to accept the Gallery's matching offer for the portrait under the export licence procedures. The portrait remains the property of the Authority but it is hoped to reach agreement whereby it would be lent to the Gallery for five years in the first place for a programme to research the portrait and mount a small partnership exhibition with three regional partners in the United Kingdom and, in a revised form, with the Authority. The portrait would also be lent to the opening of the Orientalist Museum in Doha in due course. We will return donations towards the acquisition of the portrait to supporters with the consolation that the portrait should be on view at the National Portrait Gallery.

On the portrait of Anna Wintour by Alex Katz, the Director expressed the hope that the artist might help make the acquisition possible, if we were able to gain some support from the Art Fund and to use some internal resources, subject to the approval of the Chairman between meetings.

Of the portraits now on offer, that of Alexander McQueen and Isabella Blow by David LaChapelle was approved on the basis that the Gallery should not have to find funds from its own resources for the full asking price of the photograph.

- THE TRUSTEES agreed to the acquisition of the portraits on the appended list, with the photograph of Alexander McQueen and Isabella Blow to be subject to funding

7. Commissions

Rosie Broadley, Associate Curator, Contemporary Collection, reported on good progress with ongoing commissions and expressed the hope that two commissions would be completed in time for the next Trustees' meeting.

8. Finance and Planning

8.1 Management Report to 30 September 2010. Sir William Proby reported that overall income was satisfactory with exhibitions doing very well, venue hire and catering reasonably but sponsorship and retail rather slow. The education budget was considerably underspent perhaps due to the absence of the Head of Learning on maternity leave. Project funding would be carried forward to the following financial year if necessary. As forecast, we would need to draw down on reserves during the course of this financial year. The Trustees noted the Management Report.

8.2 Response to the Spending Review. The Director reported that the proposed further 15% reduction in government funding to the Gallery was not as great as had been threatened. This was a real cut which took inflation forecasts into account; the actual cash cut would be less than this. The Government reserved the right to change the settlement level in years three and four by up to 5%. DCMS would no longer fund the Strategic Commissioning programme but it remained to be seen whether DfE would continue its funding. The essential need now was to ensure that the Gallery was in a stable financial position and able to balance budgets with ongoing future funding that would remain at a lower level.

Sir William Proby emphasised that it was still going to be tough to work on this level of government funding, particularly in later years, and it would be very important to maintain an exhibition programme that included some popular ticketed exhibitions. Matters raised in discussion included the need to be supportive in considering programmes at partner institutions faced with reduced funding. The Director said that a draft of the Corporate Plan would now be produced, consulting Sir William Proby as Finance Trustee. The message that we were making savings, for example by working with Tate on collection storage, was an important one. We would need to review and in some cases consider taking on some of the costs of the National Programme.

8.3 Investment Strategy. The Director reported that the investment strategy, the investment policy statement and the custodian bank documents had been considered and approved by the Investment Committee. Lord Janvrin commended the cautious approach of the Investment Committee. Nick Hanks, Head of Finance and Planning, said that the asset allocations in the Master Portfolio investment, into which an element of the Portrait Fund would be invested, were more conservative than Partners Capital's norm for this investment product. The Chairman suggested that Partners Capital might meet with Trustees and the Trustees of the Portrait Fund next year.

8.4.1 Appointment of bankers. Nick Hanks reported that following on from the formal appointment of Partners Capital LLP as the Gallery's investment advisors, the practical arrangements were being taking forward, including the opening of a custodian bank account, the appointment of a broker to provide a brokerage service and the nomination of authorised signatories to sign all related contracts.

- THE TRUSTEES approved the following minute for inclusion in the minutes of the 742nd meeting of the Board of Trustees held on 21 October 2010

Minute approved by the Trustees:

The Board of Trustees approved the appointment of Partners Capital LLP as the investment manager, the setting up of a custodian bank account with BNP Paribas Security Services and the appointment of Charles Stanley Limited as the broker. They authorise the Director and Head of Finance and Planning to sign all related contracts on behalf of the National Portrait Gallery.

The Board approved the investment policy and delegated responsibility to the Investment Committee for reviewing the investment strategy, monitoring the asset manager and providing advice to themselves.

Furthermore the Boards delegated investment execution responsibilities to and nominated as signatories the Director (Sandy Nairne) and the Head of Finance and Planning (Nick Hanks).

Certification

I hereby certify that the foregoing is a true extract from the 742nd meeting of the Board of Trustees of the National Portrait Gallery, held on 21 October 2010, at which a quorum of Trustees was present.

Secretary _____

8.4.2 Update of bank mandates. Nick Hanks reported that the bank mandates needed to be updated on two long standing bank accounts with the Royal Bank of Scotland, the one containing the Dame Helen Gardner bequest, the other containing the remnant of an early

development appeal (National Portrait Gallery Trust Fund Development Appeal). The proposal is that the mandates should be updated to include the Head of Finance and Planning and Head of Resources as account signatories.

- THE TRUSTEES approved the update of the bank mandate for the two RBS accounts, and agreed that the Chairman and the Secretary should sign the confirming bank mandate form

9. Audit and Compliance Committee

Dr Augustus Casely-Hayford, member of the Audit and Compliance Committee, reported that the recent meeting of the Committee had not been quorate but that the approval of absent members to decisions had been obtained after the meeting. The Committee had approved the Development Policy and had made minor amendments to the Committee's terms of reference.

The Director had reported on the Gallery's long-planned use of reserves in this financial year to cover a planned deficit but noted that the whole of our expenditure was subject to Government expenditure limits. Advice from the National Audit Office suggested that were expenditure limits to be exceeded, any qualification of accounts would apply to DCMS's accounts rather than those of the Gallery. The risk of being denied access to spend the Gallery's historic reserves in 2010-11 and beyond had been introduced into the Corporate Risk Register with a Red risk rating. The Chairman noted that access to reserves in 2011-12 and subsequently is referred to in DCMS's Settlement Letter to the Gallery following the conclusion of the Government Spending Review. David Ross, Chairman of the Audit and Compliance Committee, noted that restrictions on access to reserves were completely at odds with the Government's ambition to incentivise private support.

Other matters discussed included the stalemate with Wikipedia, where each side reserved its position, and the possible requirement for a further member of the Audit and Compliance Committee.

10. Trustees' Handbook

The Trustees welcomed the new edition of the Handbook which had been revised and extended rather than completely rewritten. The Director thanked those Trustees who had read the Handbook in draft and invited further comments from Trustees.

11. Health and Safety Review

Judith West, Head of Resources, presented the annual report on Health and Safety within the Gallery. As a central part of health and safety management, training has been widely provided to staff during the year. It was important to note that health and safety remained the responsibility of all staff. She drew attention to the benchmarking statistics which suggested that the Gallery has a reasonable record. Trips and falls on the front staircase were the most frequent cause of accidents to visitors, which the Gallery had made considerable efforts to address. She reported that the Health and Safety policy would be reviewed next year. Dame Carol Black offered to assist in giving greater emphasis to the health and welfare of staff in the Review. The Trustees welcomed the Health and Safety Review.

12. Development Policy and Strategy

Pim Baxter, Deputy Director, introduced the draft Development Policy and Strategy. The policy had been seen by the Audit and Compliance Committee which had satisfied itself that there were appropriate procedures in place for considering reputational issues when seeking potential sponsors and supporters. On the Development Strategy, Pim Baxter surveyed the funding landscape which has been difficult with corporate supporters but more encouraging with Patrons and Members. She noted that venue hire had considerably

improved since the downturn last year. We were looking to see whether we could gain the support of Trusts and Foundations for core activities as well as for individual projects and the Gallery was laying longer term foundations through the legacy leaflet campaign and the Portrait Fund. Creative ways of approaching fundraising, including online giving, would be important to future success. Matters raised in discussion included the need for Trustees to act as ambassadors in fundraising, ideas for restructuring the Development Board with more one-to-one meetings with volunteer advisers from particular identified sectors, upcoming exhibition sponsorship and the need for better tax incentives to encourage supporters.

- THE TRUSTEES approved the Development Policy

13. Matters for report

Reports on the Conservation and Preservation Strategy, Communications and Development, Resources, Learning and Loan requests were noted.

14. Any other business

The Director drew attention to the new format *Annual Review*, which matched the A5 size of *Face to Face* and which had the advantage of reduced printing and mailing costs.

Appended list of portraits on offer

6900 SIR GUY DAWBER, architect, oil painting by Sir Gerald Kelly, 1927
Purchase from Nicola Contreras and Carey Birch at £5000 approved

6902 ROGER HILTON, painter, self-portrait drawing, late 1960s or early 1970s
Purchase from Sally Holman at £750 approved

6901 DERRICK GREAVES, painter, self-portrait drawing, c.1956
Purchase from James Hyman Gallery at £5,500 approved

P1368 SIR WINSTON CHURCHILL, Prime Minister, photograph by Yousuf Karsh, 1941
Gift from the Estate of Yousuf Karsh approved

P1369 SIR CLIFF RICHARD, singer and actor, vintage photograph by Norman Parkinson, early 1960s
Purchase from Angela Williams at £2,500 approved

P1370-74

Five photographs by Gered Mankovitz

MILLIE SMALL, Jamaican singer-songwriter, 1964

THE ROLLING STONES (Keith Richards, Brian Jones, Sir Mick Jagger, Bill Wyman, Charlie Watts), two photographs, 1965 and 1966

THE YARDBIRDS (Jim McCarty, Chris Dreja, Keith Relf, Jimmy Page, Jeff Beck), 1966

THE SPENCER DAVIS GROUP (Muff Winwood, Spencer Davis, Pete York, Steve Winwood), 1966

Purchase from Gered Mankovitz at £1,500 approved

P1375-81

Seven photographs by Tony Frank

SANDIE SHAW, singer, 1965

MARIANNE FAITHFULL, singer and actress, 1965

GEORGIE FAME, rock musician, 1965

SIR TOM JONES, singer and entertainer, 1966

MANFRED MANN (Paul Jones, Tom McGuinness, Mike Hugg, Manfred Mann, Mike Vickers), 1965

THE WHO (Roger Daltrey, Keith Moon, John Entwistle, Pete Townshend), 21 May 1965

THEM (Peter Bardens, Alan Henderson, Van Morrison, Billy Harrison, Pat McAuley), 1965
Purchase from Tony Frank at 12,000 Euros approved

P1382 THE BEATLES (John Lennon, Ringo Starr, George Harrison, Paul McCartney),
photograph by Don McCullin, 1968

Purchase from Don McCullin at £1000 approved

P1383 STANLEY KUBRICK, American film director, writer and photographer, photograph
by Dmitri Kasterine, 1970

Purchase from Dmitri Kasterine at US\$400 approved

ALEXANDER McQUEEN, fashion designer, and **ISABELLA BLOW**, fashion journalist and
muse, colour photograph by David LaChapelle, 1996

Purchase from Fred Torres at US\$35,000 approved subject to funding

6899 SIR MICHAEL PARKINSON, journalist and broadcaster, painting by Jonathan Yeo,
2010

Commission approved at £27,000

6898 DAME ANNE ELIZABETH OWERS, campaigner and administrator; H.M. Chief
Inspector of Prisons, painting by Diarmuid Kelley, 2010

Commission approved at £10,000