

National Portrait Gallery

744th MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on
Thursday 5 May 2011

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
Dame Amelia Fawcett
Lord Janvrin
Mary McCartney
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 Mary McCartney to her first meeting as a Trustee. He reported that it was Amelia Fawcett's last meeting and warmly thanked her for her considerable contribution to the work of the National Portrait Gallery as a Trustee, Deputy Chairman, chair of the Development Board, member of other committees and benefactor. A shortlist for interviewing a replacement as trustee had been drawn up. In Sir William Proby's absence, the Trustees approved his appointment as Deputy Chairman.

The Chairman paid tribute to the Director's leadership and performance, following the meeting of the Senior Remuneration Committee.

2. Apologies for absence and Declarations of interest

Apologies for absence were received from the Rt Hon. Nick Clegg and Sir Nicholas Grimshaw. There were no declarations of interest.

3. Minutes of the last meeting

The minutes of the meeting held on 17 February 2011 were approved.

4. Matters arising

There were no matters arising.

5. Director's report

The Director reported that the transfer of portraits in store to Southwark had been successfully completed. There would be an opportunity for Trustees to visit the store on the morning of the Trustees' meeting on 30 June. The Director drew attention to the receipt of further proceeds under the terms of the Barry Hart Parsons bequest.

- THE TRUSTEES agreed to allocate the further proceeds from the Barry Hart Parsons bequest to the Portrait Fund

Internal interviews of four candidates with specialist knowledge had just been held for the upcoming vacancy on the retirement of the Chief Curator. A report would be made to Trustees once the outcome was known.

Discussions with the National Gallery on the use of the East Wing had continued and a paper would be going to their trustees shortly proposing a 25 year lease to the National Portrait Gallery for the upper floors in return for a rental payment. A report would be made to the next meeting of National Portrait Gallery Trustees.

In response to questions, the Director identified the exhibition programme as the dominant explanation for the somewhat lower attendance figures in the financial year, 2010/11. The combination of the *Beatles to Bowie* exhibition and the Twiggy display in the previous financial year had produced exceptional attendance figures. More recently, attendance at the *Taylor Wessing Photographic Portrait Prize* had been slightly down but there was no evidence that this was due to the increased admission charge. The charge for admission to the E.O. Hoppé exhibition had been set in relationship to the exhibition content and the prices at other exhibitions in London. Outside London, the importance that the Gallery attaches to its work with regional partners had led to the establishing of two Gallery posts as permanent to support this programme.

Action points: Trustees to be circulated with details of visit to Southwark store and the outcome of the Chief Curator appointment. Report to be made to next Trustees' meeting on negotiations with the National Gallery on the East Wing.

6. Portraits on offer

The Chairman drew attention to the importance of the good title process for the portrait of Queen Anne of Denmark. Catharine MacLeod, Curator 17th-century portraits, said that within the last few days evidence had been produced demonstrating that the portrait was in the vendor's family collection in the 1880s and so meaning that the portrait was not a spoliation risk. The Chief Curator reported on the price negotiations. The Trustees welcomed the acquisition of this important historical portrait. They also expressed their gratitude to John Morton Morris for his gift of the photograph of George Cattermole.

- THE TRUSTEES agreed to the acquisition of the portraits on the appended list, and noted portraits purchased since the previous meeting

7. Commissions

Rosie Broadley, Associate Curator, Contemporary Portraits, reported on the progress of current commissions.

8. Finance and Planning

8.1 Management Report for 12 months to 31 March 2011. Sir William Proby drew attention to the lower than budgeted income but also the lower operations expenditure in the Summary Financial Report, while noting that final figures for accrued expenditure were still awaited. The results to date demonstrated that self-generated income depended in part on crowd-pulling exhibitions and it was therefore important that the exhibition programme should include such exhibitions going forward. Sir William said that overall it was a good result in a very difficult year. He also drew attention to the Key Performance Indicators on visitor satisfaction and BME visitors, both of which required monitoring. It was noted that staff turnover had increased.

8.2 Investment Committee. Amelia Fawcett said that the performance of the Investment Fund as reported in Partners Capital's first performance review was perfectly acceptable, noting the Fund's exposure to corporate and fixed income bonds. She said that external members of the Investment Committee were making an effective contribution. David Ross drew attention to the risks of exposure to bonds in a rising interest rate environment. Amelia Fawcett responded that some adjustment to the asset allocations in the portfolio had been agreed to take account of this risk.

8.3 DCMS Interim Funding Agreement. Nick Hanks, Head of Finance and Planning, reported that the funding agreement was similar to previous years but for the additional spend controls and authorisations in a number of areas, on which a report was to be made to senior management shortly.

8.4 Gallery Reserves. The Chairman reported on a meeting that he and the Director had had with the Permanent Secretary and his staff at DCMS the previous day concerning access to financial reserves and the creation of foundation trusts. The Gallery is currently obliged to get permission from DCMS and Treasury to spend reserves, leading to difficulties when there is no provision in the DCMS budget for expenditure funded from reserves. DCMS has suggested a solution to this problem for future reserves in the form of independent foundation trusts which would not come within the purview of the Treasury's budget controls.. DCMS would recommend us to set up such a trust if we are to be given access to existing reserves.

Such a trust would enable us in future to transfer surpluses in good years and then make application to cover years when we had a planned deficit. DCMS was asking for a response by the end of next week that we would be willing to consider this option, subject to external advice. DCMS had noted that because these arrangements would need to be fully independent, officials in DCMS would not be in a position to give any guidance or instruction but there was a sense that we could share plans and approaches with other national museums.

In answer to questions, the Chairman said that there was no other option available at the present time to deal with the question of access to reserves. In sending a response to DCMS, we would also draw attention to our work in creating the Portrait Fund and running a well-ordered Investment and Contingency Fund.

Action point: Director to draft letter for Chairman to DCMS.

9. Audit and Compliance Committee

David Ross, Chair of the Audit and Compliance Committee, reported on the recent review of the Corporate Risk Register, noting that the Committee was satisfied that risks were being kept under regular review. The Committee had advised that the risk relating to terrorism and civil unrest should be identified separately, although action to manage it was ongoing.

The Committee had been inquorate on occasion. The recommendation to appoint further independent members of the Committee to increase numbers and to broaden the knowledge and experience on which the Committee can draw was welcomed.

- THE TRUSTEES approved the re-appointment of Stephen Souchon as an independent member of the Audit and Compliance Committee for a further term of two years, and approved the appointment of Neil Spence as an independent member of the Committee, also for a period of two years

The Trustees welcomed the Risk Management Annual Report and Review of Risk Appetite and noted the progress made during 2010/11 in developing the effectiveness of the

Gallery's risk management processes. Nick Hanks drew attention to the intensive and continuous planning work, which had informed the budget approved by Trustees for the financial year 2011/12.

- THE TRUSTEES approved the risk appetite and risk evaluation criteria for the current year

10. Equality Policy and Recruitment Policy

The Director presented the revised and updated Equality Policy, previously approved in 2003, and the Recruitment Policy, previously approved in 2004. On the reference in the Equality Policy to discrimination, harassment, victimisation or bullying, this was a matter that the Gallery had reviewed in the last year.

- THE TRUSTEES approved the revised and updated versions of these policies

11. Data Protection Policy

The Director presented the revised and updated Data Protection Policy and reported that Robin Francis, Head of Archive and Library, was now the Gallery's Data Protection Officer and that training for staff was provided on holding and protecting data.

- THE TRUSTEES approved the revised and updated Data Protection Policy

12. Publishing Policy

Rob Carr-Archer, Head of Trading, supported by Celia Joicey, Head of Publications, and Christopher Tinker, Managing Editor, presented the updated version of the Publishing Policy agreed in 2005. The publishing market was changing rapidly. While the Gallery's publishing programme was widely drawn, it was the exhibition programme that often gave rise to the greatest opportunities. Printing in the Far East was leading to significant cost savings, provided that the longer lead in times could be managed. A paper on Apps and other forms of digital publishing would be coming to senior management in July. We would consider opportunities around the *Lucian Freud* and *The Queen* exhibitions to test the market. A further report would be made to Trustees.

- THE TRUSTEES approved the revised and updated Publishing Policy

13. 2012 Programme

The Director and Pim Baxter presented an update on the 2012 programme and drew attention to its key elements in the form of the *Lucian Freud Portraits* exhibition, the *BP Portrait Award 2012* and the *Next Generation* project, the *Road to 2012* in partnership with BT, and *The Queen: Art and Image* exhibition. We had not so far been able to take forward the National Portrait Project. There would be no Olympics viewing screen in Trafalgar Square for management reasons although we would consider what might be possible within the Gallery.

14. Matters for report

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

15. Any other business

Amelia Fawcett drew attention to the remarkable success of Pim Baxter and her team in developing and gaining support for the Gallery through membership, sponsorship and other programmes in a challenging year. The Trustees warmly welcomed this success.

The Director welcomed a suggestion that we should give future consideration as to how best to represent the Duke and Duchess of Cambridge in the Collection.

Appended list of portraits on offer

6908 ANNA WINTOUR, fashion journalist and editor, oil painting by Alex Katz, 2009
Purchase at \$200,000 with support from the Art Fund of £45,000 approved

Two pencil drawings by William Roberts

6909 HERBERT ERNEST BATES, writer and novelist, c.1925-7

6910 THEODORE FRANCIS POWYS, novelist and short story writer, c.1926

Purchase at Christie's, 23 March 2011, at £2875 and £1750 respectively, approved by the Chairman

6911 THEODORE WATTS-DUNTON, critic, novelist and poet, drawing by Sir Max Beerbohm

P1660 SIR JAMES MATTHEW BARRIE, playwright and writer, photograph by Elliott & Fry, 1894

P1661 SIR COMPTON MACKENZIE, writer, photograph by Andrew Patterson of Inverness, 1931

P1662 SIR OSBERT SITWELL, writer, photograph by Horst P. Horst, 1948

6912 DAME IRIS MURDOCH, novelist and philosopher, drawing by Nicolas Bentley, early 1960s

Purchase at Roy Davids sale Part II, Bonham's, 29 March 2011, at £4560, £360, £600, £900 and £420 respectively, approved by the Chairman

6918 ANNE of DENMARK, Queen of James I, oil painting by John de Critz, c.1605-10
Purchase through Sotheby's at £210,000 approved

6913 THOMAS PATCH, painter and engraver, self-portrait etching, late 1760s

Purchase from Andrew Edmunds at £4000, funded from the Elizabeth Weisz Fund, approved

P1663 GEORGE CATTERMOLE, watercolourist and illustrator, photograph by William Frederick Lake Price, published 1858
Gift from John Morton Morris approved

P1664 EDWARD JAMES, poet, designer and patron of the arts, photograph by Norman Parkinson, late 1930s

Purchase from Keith de Lellis Gallery, New York, at \$4000 approved

6914 SIR EDWARD HEATH, Prime Minister, painting by Derek Hill, 1972

Gift from Sir Edward Heath Charitable Foundation approved

6915 SIR EDUARDO PAOLOZZI, sculptor and graphic artist, drawing by William Packer, 1988

Gift from William Packer approved

6916 MAUREEN PALEY, gallery owner and artist, drawing by Michael Landy, 2008

Gift from Maureen Paley approved

6917 SIR JAMES DYSON ('James, Inventor'), designer and inventor, inkjet on canvas by Julian Opie, 2011

Commission approved at £45,000 with support from J.P. Morgan through the Fund for New Commissions