

National Portrait Gallery

765TH MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on **Thursday 7 July 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
- The Rt Hon The Lord Janvrin
- Dr Joanna Kennedy
- Mr David Ross
- Dr Andrew Roberts

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 Augustus Casely-Hayford had formally stepped down from his position as a Trustee, and that this would have been his and Marina Warner's last meeting. It was also Robin Janvrin's last meeting, and the Trustees, Director and Deputy Director expressed their sincere thanks to all three Trustees for their excellent contribution to the work of the Gallery during the last four years.

The Chairman reported that the role specifications for three new Trustees had been submitted to DCMS and that the Gallery hoped these would be agreed before the summer recess so that new candidates might be appointed by the autumn.

2. Apologies and Declarations of Interest

Apologies for absence were received from The Rt Hon Chris Grayling MP, Mr Christopher Le Brun, Mr Stephan Shakespeare and Professor Dame Marina Warner. No new declarations of interest were made.

3. Minutes of the previous meeting

Subject to a small amendment, the minutes of the 764th meeting held on Thursday 12 May 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 he had recently attended meetings of the National Museum Directors' Council and of the DCMS's Arm's Length Bodies Chairs and Chief Executives. The

UK's decision to leave the European Union had been discussed at both meetings, although the effect of this decision on museums and galleries was still unclear. However, the uncertainty did mean that it was imperative for the Gallery to ensure its financial health in order to be prepared for whatever might happen next. The 'Brexit' decision would also provide the Gallery with the opportunity to maximise its unique ability to play a central role in discussions about British identity.

The Director also reported that the DCMS's Director General, Sarah Healey, had moved to the Department's European Taskforce, and that two new Director Generals had been appointed. He would continue discussions with Clare Pillman, Director at DCMS, regarding Trustee appointments.

The Director highlighted the success of the recent *Vogue 100* and *Russia and the Arts* exhibitions, which had both exceeded their visitor targets and had received great critical acclaim. *Vogue 100* had just opened at Manchester Art Galleries.

6. Offers for Consideration

The Chief Curator and Curators presented the works on offer, which consisted of a photograph of Elsa Schiaparelli by Man Ray, purchased in honour of Sandy Nairne; a self-portrait by Marie-Louise von Motesiczky; a pencil drawing of James Robertson Justice by Sir Peter Markham Scott; an albumen carte-de-visite depicting Robert Louis Stevenson and his parents, and six photographs of ballet dancers by Rick Guest.

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

7(a) Update on Current Commissions

Sarah Howgate, Contemporary Curator, presented an update on current commissions. A list of proposed sitters for a group portrait of British film directors by Nina Mae Fowler would be brought to the Trustees in November.

7(b) Nomination of sitters for future commissions

A paper had been tabled which indicated votes made by Trustees against a shortlist of ten names, and from this list it was agreed that approaches should be made to three potential new sitters. The remainder of the shortlist would be used to inform curators about which other sitters' portraits the Gallery may wish to acquire through routes other than commissions. There was a discussion about the nominations process and Trustees agreed that it would be helpful to have a discussion about the individuals on the shortlist prior to voting, rather than undertaking this part of the process by e-mail circular. It was also agreed that the offer to commission a portrait for the Collection should be made applicable for four years, and that those individuals on the current commissions list for whom progress had not been made in this period should be informed of the newly-imposed time limit.

- THE TRUSTEES agreed the approach to three new potential sitters for commissioned portraits.

8. Inspiring People update

The Deputy Director and Director of Finance and Planning had recently met with a contact of Fraser Randall who had agreed to help the Gallery prepare its Strategic Outline Business Case for the *Inspiring People* project for submission to the DCMS. The meeting had highlighted the importance of making a case for the 'why now?' question. The Trustees recognised the importance of building in the work of volunteers and plans for the National

Programme to the HLF bid. They were pleased to hear about two recent major donations to the project, but acknowledged that much fundraising work would still be required before the spring.

The *Inspiring People* Project Board had met earlier that day, with two Trustees, Kim Evans and Joanna Kennedy, in attendance, and they confirmed that it had been reassuring to hear about the project milestones and ongoing physical and financial plans. The Trustees agreed that it would be useful to discuss the project in more detail at the Trustees' Review Day on 8 September.

9. Finance and Planning

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

9(a) Final Management Report for the 12 months to 31 March 2016

Brian Allen, Finance Trustee, reported an overall year end deficit of just over £800,000, which was £1.6 million smaller than had been budgeted for. Core income was ahead of budget by £338,000, partly thanks to Membership and Retail income. Core expenditure was over budget by £382,000, mainly due to higher than expected costs in the Exhibitions and Collections department, including costs associated with the *Vogue 100* exhibition. The Director confirmed that the Gallery would be trying to reduce exhibition costs in the future by using in-house exhibition design to reduce build costs and by thinking carefully about exhibitions layout to reduce the number of Visitor Services Assistants required to staff the spaces. The Core budget deficit was £717,000, which was £44,000 greater than had been budgeted for. The outturn for the Project budget was a deficit of £89,000, which was £1.6 million smaller than had been budgeted for, owing mainly to underspends across a number of departments. Generally the financial performance for the year had been good, with some notable successes in terms of income generation which had benefitted from the strong exhibition programme. However, there were some issues around the cost of holding these exhibitions which needed to be addressed to ensure a more sustainable programme in the future.

Visitor numbers had reached over two million, and Company income was ahead of budget by £372,000, in part due to the successful relocation of the Bookshop to the Main Hall mezzanine. At the beginning of the 2016/17 financial year, Retail and Events income were ahead of budget.

9(b) 2015/16 Audited Annual Report and Accounts

Nick Hanks presented the 2015/16 Audited Annual Report and Accounts, which contained the consolidated accounts for the Gallery and for the Company. He ran through the layout of the report and encouraged Trustees to read the governance statement if they had not already done so. The financial statements showed that income was slightly lower than the previous year, but he reminded Trustees that 2014/15 had included the DCMS Catalyst scheme, a £1 million donation and income from the Van Dyck self-portrait fundraising appeal. Net assets had increased during the year, but a significant part of this arose from the donated acquisition of the Lucian Freud Archive and a revaluation increase relating to the Gallery's land and buildings and in actual terms the Gallery's cash assets had decreased. Staffing accounted for a significant element of expenditure so this would be an area for colleagues to focus on over the coming months.

- THE TRUSTEES approved the 2015/16 Annual Report and Accounts and the Chairman and Director signed the Accounts.

9(c) Portrait Trust update

The Director of Finance and Planning reported that the Gallery would continue to fund the Trust at £20,000 per annum, up until 2018, as agreed in the Memorandum of Understanding. The Trust had recently provided funding for small conservation projects, and also for the redesign of the Learning Centre as part of the *Inspiring People* project. At the last meeting of the Trust's Trustees, the Deputy Director had discussed the *Inspiring People* fundraising strategy, and it had been agreed that the Trust might wish to involve itself with this at a later date.

9(d) Investment Report

Allegra Berman, Chair of the Investment Committee, reported that the Investment and Contingency Fund portfolio had increased by 2.6% since December 2015, but only 0.7% during the 2015/16 financial year. The Portrait Fund portfolio had fallen by 1.3% since December, but had outperformed its benchmark during the financial year. The Catalyst Fund had also fallen, but had outperformed its benchmark over the calendar year by 3%. AB, the Director and the Director of Finance and Planning had held a call with the Gallery's Investment Advisors, Partners Capital, following the 'Brexit' decision, and had agreed that there was no need to immediately rebalance the portfolios as they had been constructed in anticipation of a potential 'Brexit' vote. AB confirmed that the portfolios remained very diverse and defensive against a volatile backdrop.

10. Audit and Compliance Committee

The Chair of the Audit and Compliance Committee (A&CC), David Ross, updated the Trustees on the recent business of the Committee, as follows.

10(a) Risk Management Update

The A&CC had met a fortnight ago, and following the news that the Gallery's purchase ordering system provider had gone into liquidation, questions were raised about the stability of other financial system providers used by the Gallery. A recent Gift Aid audit had identified errors in reports provided to the Gallery by a third party ticketing provider, from which the Gallery had prepared its Gift Aid claims. It was noted that the Gallery's ticketing was now being managed in-house.

The A&CC had reviewed the Corporate Risk Register and had raised the risk to the Gallery from the loss of staff, as there were a number of key vacancies at the time of writing. The Committee had also discussed the risk of reduced DCMS funding post-'Brexit'. The Committee had reviewed the Annual Report and Accounts and the Company Accounts and approved them for submission to the Board of Trustees.

10(b) Audit and Compliance Committee Annual Report

David Ross presented the Annual Report to Trustees, and he and the Director concluded that the Committee's responsibilities had been fulfilled diligently.

11. Displays Strategy

The Curatorial Director, Tarnya Cooper, presented the Displays Strategy, which explained how the Gallery would manage its displays offer over the next three years. The strategy set out the criteria which would be used for commissioning future displays and also outlined some changes to existing display spaces which would be made from 2017.

The Trustees welcomed the strategy and agreed that it would be helpful to revisit the subject at a future meeting to measure the impact of the proposed changes. The Chairman thanked TC for the report.

12. Building the Family Audience at the National Portrait Gallery – an update

The Director of Participation and Learning, Liz Smith, joined the meeting to update Trustees on the response to the short term actions undertaken as a result of the Family Strategy presented at the March 2016 Board meeting. Discussions had been held with the Visitor Services Team regarding the welcome to families when they arrive at the Gallery, and colleagues continued to monitor the accessibility to families of the Bookshop on the mezzanine floor of the Ondaatje Wing Main Hall. Conversations with Company of Cooks had resulted in the reintroduction of the £5 family lunchbox, the decision to reuse illustrations for drawing activities on place mats, and improved signage. The Gallery shop would also offer limited edition prints of *BP Portrait Award* Family Trail artwork. By the October 2016 half term storage space for pushchairs would be created in the Cloakroom. It was hoped that funding would be secured to continue staffing and providing changing resources for the Family Activity Base over the next three years. The Trustees endorsed the Learning Department's work on this and looked forward to further updates.

13. Annual Exhibitions Update

Sarah Tinsley, Director of Exhibitions and Collections, and Rosie Wilson, Head of Exhibitions, joined the meeting and presented the Exhibitions Update, which included a number of strategic issues for discussion. ST updated the Trustees on the decision which had been taken on temporary exhibition spaces during the *Inspiring People* building work. RW confirmed that a review of the Gallery's international exhibitions touring activity had been undertaken in 2014, and as a result of this an International Tours Manager had been appointed. Some successes had already resulted following this appointment, but it was agreed that the Gallery would need to continue to programme touring exhibitions even further in advance in order to secure spots in other museums and galleries' schedules. Work would also continue to review the Gallery's tour capacity and to increase its presence at overseas events in order to build relationships with potential tour venues. RW explained that some improvement in the structure of the Exhibitions team was still needed, as colleagues were under pressure, particularly when two large exhibitions took place at once. ST emphasised that in 2020/21 the exhibitions programme would need to be very high profile to continue to bring in income while some exhibition spaces were out of use.

The Director and ST then ran through a selection of images to be included in future exhibitions. The Chairman thanked ST and RW for the update.

14. The Trustees noted reports on Freedom of Information, Estates and Operations, Communications and Development, Participation and Learning and outgoing loans.

15. Any other business

The Deputy Director ran through the arrangements for the annual Trustees' Dinner, which would be held on Thursday 3 November 2016, and asked Trustees to consider who they might wish to invite as their guests.

As it would be his last Board meeting, Robin Janvrin expressed his thanks to his fellow Trustees and Gallery staff, reiterating the importance of the Gallery's mission in the current uncertain political climate and endorsing the *Inspiring People* project.

Appended list of portraits on offer

P2019 ELSA SCHIAPARELLI, fashion designer, gelatin silver print by Man Ray, c.1930.
Purchased at auction, Christie's sale 20 May 2016, lot 56 for £7,500 (hammer price) in honour of Sandy Nairne, noted.

7023 MARIE-LOUISE VON MOTESICZKY, artist, self-portrait, oil on canvas, 1959.
Offer from the Marie-Louise von Motesiczky Charitable Trust as a gift, accepted.

7024 JAMES ROBERTSON JUSTICE, actor, pencil drawing by Sir Peter Markham Scott, 1948.
Offer from Nicola Starks as a gift, accepted.

TAMARA ROJO, ballet dancer and Artistic Director of the English National Ballet, inkjet print by Rick Guest, 2015;

THIAGO SOARES and **MARIANELA NUNEZ**, ballet dancers, inkjet print by Rick Guest, 2013;

ZENAIDA YANOWSKY, ballet dancer, inkjet print by Rick Guest, 2013;

EDWARD WATSON, ballet dancer, inkjet print by Rick Guest, 2015;

MELISSA HAMILTON, ballet dancer, inkjet print by Rick Guest, 2014;

ERIC UNDERWOOD, ballet dancer, inkjet print by Rick Guest, 2015.

Portraits of Tamara Rojo and Thiago Sores and Marianela Nunez offered for purchase by the photographer at £2,000 (discounted from £3,800), agreed; portraits of Zenaida Yanowsky, Edward Watson, Melissa Hamilton and Eric Underwood offered as a gift from the photographer, accepted.

ROBERT LOUIS STEVENSON, writer, with his father, **THOMAS STEVENSON**, civil engineer and meteorologist, and mother **MARGARET ISABELLA BALFOUR STEVENSON**, albumen carte-de-visite by William Silvester Laroche, September 1874.

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Signed by the Chairman

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Date