

National Portrait Gallery

769TH MEETING

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on **Wednesday 5 July 2017**

Present:

- Sir William Proby (Chairman)
- Dr Brian Allen
- Professor Dame Carol Black
- Dr Rosalind (Polly) Blakesley
- Mr Rob Dickins
- Ms Kim Evans
- Dr Joanna Kennedy
- Dr Andrew Roberts
- Sir Peter Stothard
- Ms Rachel Wang
- Christopher Le Brun
- Sir Michael Hintze
- Ms Allegra Berman

In attendance:

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

Observing:

- Mr Joseph Bondatti, Public Appointments Adviser, DCMS
- Mrs Cathy Arnold, Director of Estates and Operations

1. Director's Annual Appraisal

2. Chairman's business

The Director and Manager of the Director's Office joined the meeting. The Chairman announced that the Trustees were delighted with the performance of the Director and thanked him for everything that he had contributed to the Gallery.

The interregnum period between Chair appointments was discussed and it was agreed that although a temporary Chair appointment was not deemed necessary, a formal point of contact would be needed. Kim Evans agreed to take on this responsibility as first point of contact and the Trustees approved this. The approval of urgent acquisitions over the summer was raised and the Trustees agreed that these would be discussed as and when they arose, but nothing urgent was anticipated.

3. Apologies and Declarations of Interest

Apologies for absence were received from David Ross, Bjorn Saven and The Rt Hon Angela Leadsom MP.

4. Minutes of the previous meeting

The minutes of the 768th meeting held on Thursday 4 May 2017 were agreed by the Trustees and signed by the Chairman.

5. Matters arising

The Chairman reported that The Rt Hon Andrea Leadsom had now replaced David Liddington as Leader of the House of Commons following the General Election on June 8th. David Ross was congratulated and thanked by the Chairman on behalf of the Trustees for his significant contribution to the Gallery as a Trustee.

6. Director's Report

The Director reported that the Deputy Director had circulated the Chair recruitment process to the Trustees and that any further comments should be emailed to the Director and Deputy Director. The Director clarified that all Trustees were invited to take part on the interview panel regardless of their length of term already served. A second term Trustee would also be required to Chair the interview panel.

The Trustees queried if candidate CVs would be circulated to those Trustees unable to attend the interview date; however, the Deputy Director clarified that only a brief biography of each candidate was permitted. The Deputy Director also advised that prior to the interviews, Trustees could feed comments to those Trustees attending the interviews. *[INFORMATION REDACTED in accordance with section 40 of the Freedom of Information Act 2000 – Personal information]* agreed to lead on the Chair recruitment process and the Trustees thanked them for their contribution.

The Director noted that DCMS had extended the deadline so that the widest pool of candidates could be considered. The Trustees noted that the shortlist of nine candidates was very long however this was deemed necessary as they were all of a high calibre.

The Trustees also requested that a Chair job description was circulated prior to the interviews.

The Director reported that visitor figures were down in April/May by 42%, year on year, but noted that this was in part due to the *Vogue* and *Russia* exhibitions doing so well last year and that in addition all museum visitor figures were currently low throughout London. It was agreed that this must be monitored. The Chairman reported that he recently met with *[INFORMATION REDACTED in accordance with section 40 of the Freedom of Information Act 2000 – Personal information]* along with the Chairs of eight other museums and galleries in London to discuss the decline in visitor numbers. The Chairman advised that his successor should continue to take an active role in these meetings with *[INFORMATION REDACTED in accordance with section 40 of the Freedom of Information Act 2000 – Personal information]*. Since the Paris terror attacks, visitor figures were up outside of London, but down in London, and this was particularly affecting school groups.

The re-hang and refurbishment of Gallery 30 and 31 is currently underway which reopens in November.

[INFORMATION REDACTED in accordance with section 43(2) of the Freedom of Information Act 2000 – Commercial interest]

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The Director reported that the *Claude Cahun and Gillian Wearing* exhibition as well as the *Howard Hodgkin* exhibition received good reviews but attendance was lower than expected. *The Encounter* exhibition opens on Monday 10 July and the Director noted that it, along with the catalogue, was looking very impressive. The Director also noted that he, along with the Deputy Director and Director of Exhibitions and Collections, visited the opening of the *Cezanne* exhibition in Paris at the Musée D'Orsay. The Director reported that the Van Dyck self portrait is currently in Edinburgh and will be returning to London in October for a project with Julian Opie. The Director will be travelling to Hull later in July to give a lecture at the Ferens Art Gallery as part of the City of Culture celebrations. The Director also informed the Trustees that he met with [INFORMATION REDACTED in accordance with section 40 of the Freedom of Information Act 2000 – Personal information] who seemed supportive about the Subject Specialist Network and *Coming Home*. The Director reported that International Programmes were doing very well and that the Michael Jackson exhibition would be travelling to the Grand Palais in Paris as well as Finland and Bonn, and he had a positive meeting with [INFORMATION REDACTED in accordance with section 22 of the Freedom of Information Act 2000 – Information intended for future publication].

The Director updated the Trustees on the Digital developments in the Gallery and noted that Rachel Wang and the Director of External Relations had recently met to discuss digital media at the Gallery. The Director also noted that for the first time the TWPPP has now moved into a digital judging system.

The Trustees raised the concern that the exhibition figures were recently inaccurately predicted. The Director assured Trustees that the Gallery was aware of this and were looking into it and will be monitoring exhibition figures carefully in the future. The Trustees also noted that using digital marketing can attract visitors more widely and should be discussed further at the September Review Day. The Director of External Relations, Ben Weaver, will be looking into this.

The Trustees queried the marketing of the *Wearing and Cahun* exhibition and stated that a new website and social media improvements were essential marketing tools. These digital improvements are also factored in to the HLF bid which need to be delivered as part of the *Inspiring People* project. It was noted that the new CMRS ticketing system will be able to measure concessions and visitor profile more accurately and will be factored in for future predictions.

7. Offers for Consideration

The Curatorial Director, Tarnya Cooper, and Curators presented the portraits on offer to the Gallery, which included a portrait of Henrietta Mary Ada Ward by Walker Hodgson, a Self-Portrait by Lucy Jones, a sculpture by Antony Gormley (agreed with conditional funding of £40,000), a portrait of Joe Strummer by William Eggleston, a portrait of Cate Blanchett by Rineke Dijkstra and a portfolio of *Black is the new Black* portraits by Simon Frederick.

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

TC presented a paper on the proposed appendix to the 2015 *Acquisitions and Disposals Policy*. TC explained that the new revised criteria would be added to the 2015 policy as a new Appendix and was needed to allow the Gallery to have more flexibility but would remain at the discretion of the Trustees. The majority of acquisitions come into the Collection as gifts or loans and so the criteria would mainly affect acquisitions requiring internal funding or fundraising. The Trustees agreed that the criteria should be reviewed again in either 2018 or

2019. Trustees agreed that tightening of boundaries will have a helpful positive effect on the collection. The paper was approved by Trustees.

TC also suggested that *[INFORMATION REDACTED in accordance with section 43(2) of the Freedom of Information Act 2000 – Commercial interest]*.

8. Update on Current Commissions

[INFORMATION REDACTED in accordance with section 22 of the Freedom of Information Act 2000 – Information intended for future publication]

SH reported that the Today Programme commission would be completed in time for the 60th anniversary of the show in October and it would be a moving image combined with sound. The BP prize winners commissions were being progressed and SH is looking to associate artists with sitters but they have yet to be approached. Rachel Wang suggested that the commissioning process was followed and filmed so that both the experiences of the sitter and artist could be shown. SH reported that some commissions from the past four years had already been filmed. TC reported to the Trustees that an assistant curator position of three days per week was being sought to help support SH on the commissioning process. The Trustees suggested that it would be helpful to see a timeline of the current commissions. The Chairman thanked TC as it was her final meeting at the Gallery as Curatorial Director but reported that she will return to curate a future exhibition at the Gallery.

9. Inspiring People update

The Deputy Director updated the Trustees on the progress of the *Inspiring People* project. She informed Trustees that a major First Round grant of £9.4m had been awarded by the HLF in June. The Gallery has now moved into the Development Phase of the project and £900,000 had been awarded to progress through the Development Phase. The Gallery has been allocated an HLF Advisor, Nicholas Balaam, who will be holding regular progress meetings at the Gallery. The Deputy Director reported that they are currently advertising for the Head of Inspiring People role and all fundraising needs to be completed by March 2019. The Deputy Director noted that emails were sent to the Trustees and key gallery contacts before the press announcement was made and positive responses had been received. The third meeting of the Campaign Council had now taken place, with Sofia Mason recruited as a new member. The Trustees queried the activity plan funding, however, the Deputy Director reassured Trustees that this was part of the £35.5m and donors were already pledging to fund the activity plan. Some national partners had already been identified and Kim Mawhinney, from National Museums Northern Ireland, is also already involved and attended the HLF site visit in February. Cathy Arnold, Director of Estate and Operations, presented the activity plan of buildings works to the Trustees. CA stated that the process will be followed through OJEU. The Strategic Outline Case was presented to DCMS and approved in January. CA is currently commissioning the construction procurement strategy which will be fully developed in 2018.

CA clarified that there would not be an architect 'competition', but will follow the OJEU process and Pre-Qualification Questionnaire (PQQ). CA noted that the Director has contacted certain architect practices to ensure they are aware of the project. CA discussed the outline timetable and noted that the Design Brief will be finalised over the summer with Interviews taking place in the Autumn. In December there will be a presentation from the shortlist and work will start in January. A further paper will be put forward to Trustees during 2018 outlining the procurement process. The Trustees queried the reason that the design architect competition had been ruled out as and it may be a missed opportunity to fundraise and to engage the public. CA reassured the Trustees that HLF advised the Gallery not to go ahead with a design competition due to expense and suggested that they should focus on selecting the

architect team delivering the design rather than the design itself. CA also noted that a new wing was not being designed but works would be taking place within an existing structure. KE and JK were thanked for their hard work so far and agreed to continue advising as their expertise will be crucial for the next stage of the project.

10. Finance and Planning

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

10(a) Management Report for the twelve months to 31 March 2017

[INFORMATION REDACTED in accordance with section 43(2) of the Freedom of Information Act 2000 – Commercial interest]

10(b) 2016/17 Audited Accounts and Annual Report

NH reported on the 2016/17 consolidated accounts. NH explained the structure of the accounts, which included a narrative section detailing the Gallery's endeavours over the past year in delivering its corporate objectives, ahead of sections covering the financial statements and their associated notes. NH also reported on the Management Agreement Indicators and noted that the Gallery's performance against these in 2016/17 was generally good. NH reported on the Governance Statement and how this explained how the Gallery managed risk and its internal control framework. NH explained the Consolidated Financial Statements. He noted that the Gallery had increased its assets by £2.5m, as a result of unrealised gains in its investment portfolios as well as increases in the value of its land buildings. The deficit of income compared to expenditure was £950,000. The Gallery received the same amount of Grant in Aid as in the previous year, and non-Grant in Aid income totalled £13m (17% less than last year). Trading had a good result despite low visitor numbers. Donations and Legacies were significantly higher in the previous year, as in that year the Freud Archive had been donated to the Gallery, valued at £4m. Exhibitions and Touring performed better than in previous years. Turning to expenditure, expenditure in the year had increased compared to the previous year by 2%, which was mainly caused by staff costs, which accounted for 54% of total costs. The Gallery had more temporary staff and a higher staff turnover and so support costs had also increased. There had been increased IT costs in order to make the Gallery's IT infrastructure more secure and resilient.

[INFORMATION REDACTED in accordance with section 22 of the Freedom of Information Act 2000 – Information intended for future publication]

10(c) Investment Report (verbal update)

Allegra Berman reported on the work of the Investment Committee. The appointment of a new member was discussed and Bjorn Saven was ratified to join the committee.

Partners' Capital updated the Committee on the performance of the portfolios as at 31st March. The Investment and Contingency portfolio had increased in value of 8.5% since the beginning of the Financial Year and was ahead of its benchmark due to the strong performance in the period by the global equities fund and inflation linked Government bonds.

The Portrait Fund portfolio stood at just over £9m. During the year the Catalyst Portfolio had been subsumed into the Portrait Fund as well as Catalyst cash of £980,000, held in the Galley's bank deposit account. However, £200,000 was donated towards the Wellington Portrait acquisition. This Portfolio had increased by 11% since March 2016. In the first quarter it

performed slightly ahead of its benchmark at 2.8%. There was a small residual amount in the Catalyst Fund of £9k which would eventually be transferred to the Portrait Fund.

AB reported that there was an annual review of the financial wellbeing of Partners' Capital LLP, which confirmed that the company's finances were strong and stable. Partners' Capital also confirmed that they had not suffered any IT breaches with regard to the recent Wannacry cyber attack and explained their response in the light of it.

11(a) Audit and Compliance Committee: Risk Management update

Kim Evans (KE) noted that June's Committee meeting was the last meeting chaired by David Ross before his term as a Trustee expired. She reported that the Committee had thanked him for his strong and capable leadership of the Committee over the past 7 and half years. She then updated the Trustees on the Committee's recent business. She noted that the Committee had reviewed and approved the draft 2016/17 annual report and accounts. The Gallery's register of interests and the risk management register were also reviewed.

[INFORMATION REDACTED in accordance with section 22 of the Freedom of Information Act 2000 – Information intended for future publication; and 43(2) of the Freedom of Information Act 2000 – Commercial interest]

The Bodelwyddan Castle risk had now been reduced from *Amber* to *Green* as the elements of the Gallery's collection had now been removed from the Castle.

The Gallery's consolidated accounts and those of the Company were reviewed and approved for submission to the Board of Trustees.

The NAO and the Company's external auditors reported nothing significant in their findings. There were no amendments to the Company's risk register. A closed session with the auditors was held and the committee thanked Nick Hanks and the Finance team for their hard work.

[INFORMATION REDACTED in accordance with section 43(2) of the Freedom of Information Act 2000 – Commercial interest]

The Chairman raised the point that the internal finance working group members, Sir William Proby and David Ross had now departed, so two Trustees were asked to volunteer from September onwards to be part of this.

12. Annual Exhibitions Report

The Chairman welcomed Sarah Tinsley (Director of Exhibitions and Collections) to the meeting. ST reported on strategic issues, the budget, *Inspiring People* and International Touring. ST reported that reductions have been made to the exhibitions budget over the next five years and budget reviews are taking place with the team every two months. The team are currently keeping a closer watch on transport and shipping figures.

The redevelopment of Galleries 30 and 31 continues and will reopen by 2020 as an exhibition space and ST will update Trustees on progress at the next meeting. ST reported that works are also committed from David Hockney and Lucian Freud.

ST reported on International Touring and noted that the start-up was slow however but they will continue to look into increasing this area of activity and will be presenting a business case around this in the autumn.

ST stated that *[INFORMATION REDACTED in accordance with section 22 of the Freedom of Information Act 2000 – Information intended for future publication]*.

13. Annual HR Report

[INFORMATION REDACTED in accordance with section 43(2) of the Freedom of Information Act 2000 – Commercial interest]

14. Development Strategy

The Deputy Director, Pim Baxter, reported on the Development Strategy. She noted that there was currently a challenging environment for raising income, particularly in the corporate sector. BP had now agreed to support the Gallery for another five years and Taylor Wessing had also recently renewed their contract. PB noted that the *Cezanne* exhibition still had no corporate sponsorship, *[INFORMATION REDACTED in accordance with section 43(2) of the Freedom of Information Act 2000 – Commercial interest]*. The team are looking at new ways to entice corporate businesses and PB reported that the Head of Corporate Development, Jess Litwin, had completed some excellent work by bringing in support from DeLancey and McCain in support of the Learning Programme. PB also reported that at the recent opening of the *BP Portrait Award*, there were no BP protestors present, *[INFORMATION REDACTED in accordance with section 43(2) of the Freedom of Information Act 2000 – Commercial interest]*.

The Deputy Director reported on Individual Giving and that thirty-three patrons were currently being sought and that they will be reactivating legacy support. The Portrait Fund currently stands at £9.2m but £10m is hoped to be achieved by 2018.

PB reported on Membership which was doing well. The 'Member plus guest' level of membership is very popular but the Gallery has now had to adapt the rules as HMRC have stated that the guest must be shown to live at the same address as the Member.

The Deputy Director also updated the Trustees on venue and corporate hire at the Gallery, as well as acquisitions and donations. The Trustees thanked the Deputy Director for her report.

15-18. Reports to Note

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

19. Any other business

The Chairman noted that he recently attended a DCMS meeting with the Director where cyber security was discussed. CA reported that the recent cyber attack did not affect the Gallery but reassured Trustees that is a priority for the IT team. CA will report back to Trustees in November on this issue.

Sir William Proby was thanked for his time and commitment over the past eight years as Chairman.

Appended list of portraits on offer:

HENRIETTA MARY ADA WARD (1832-1924) BY WALKER HODGSON,

Pencil on paper, 1891

Offered for purchase by David Jackson

SELF PORTRAIT BY LUCY JONES (1955-),

Oil on canvas, 1980s

Offered as a gift by Geordie Greig

SCULPTURE BY ANTONY GORMLEY (1952-)

Cast iron, 2013

Offered for purchase by Antony Gormley Studio

JOE STRUMMER (1952-2002) BY WILLIAM EGGLESTON,

Musician, co-founder and guitarist for *The Clash*

Pigment print, printed 2016

Offered as a gift by the Eggleston Artistic Trust

CATE BLANCHETT (1969-) BY RINEKE DIJKSTRA

Actress

Colour coupler print, 2007

Offered for purchase by Marian Goodman Gallery

BLACK IS THE NEW BLACK PORTFOLIO BY SIMON FREDERICK, (2016),

39 archival inkjet prints

Offered as a gift by the artist with funding from AOL

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Signed by the Chairman

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Date