

# National Portrait Gallery

## **SEVEN HUNDRED AND NINETEENTH MEETING**

Minutes of the Meeting of the Trustees held at the National Portrait Gallery on  
**Thursday 17 February 2005**

**Present:** Sir David Scholey (Chairman)  
Professor David Cannadine  
Professor Ludmilla Jordanova  
Mr Tom Phillips  
Ms Sara Selwood  
Miss Alexandra Shulman

**In attendance:** Mr Sandy Nairne  
Mr Jacob Simon

### **1. Apologies for Absence**

Apologies for absence were received from the Rt Hon Baroness Amos, Ms Zeinab Badawi, Professor Robert Boucher, the Marchioness of Douro, Ms Amelia Fawcett, Ms Flora Fraser, Sir Nicholas Grimshaw, Sir Christopher Ondaatje and Sir John Weston.

### **2. Election of Chairman**

The Chairman reported that following consultations by the senior trustee, Tom Phillips, David Cannadine had emerged as the Trustees' preferred candidate to succeed Sir David Scholey in the chair and had indicated his willingness to accept the position if invited.

- THE TRUSTEES unanimously elected David Cannadine as Chairman from 15 July 2005

It was agreed that the Chairman should consult with Trustees about the consequent vacancy of Deputy Chair. There would also be vacancies for two new Trustees, to be filled according to standard procedure, with one vacancy for an individual with business and/or financial experience, the other with artistic and/or literary experience. Trustees are invited to make suggestions.

### **3. Minutes of the Last Meeting**

The minutes of the meeting held on 18 November 2004 were approved.

### **4. Matters Arising**

The Director reported firstly that arrangements had been made with the BBC Culture Show to follow the investigation of three Shakespeare 'contender' portraits (the earring in the Chandos portrait has been shown to be original to the painting), secondly that we were still looking for sources of funding for digitisation and suggestions would be welcome and thirdly that the Gallery had received Freedom of Information requests for information on the prices paid for portraits, which, if withheld to avoid damaging the Gallery's commercial interests, would need to be justified case-by-case.

In response to questions, the Director reported firstly that Sara Selwood had given advice on using MORI data more effectively in analysing the number of core visitors to the Gallery

who are repeat users and secondly that the Portrait Restaurant contract with Searcy's had now been renewed.

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

The Director reported that attendance at the Watts exhibition had not matched the generally positive critical reception of the exhibition. In response to a discussion about the choice of titles for exhibitions, the Director reported that Trustees would continue to receive an annual paper on exhibitions and welcomed the reaction of Trustees to individual exhibitions. The Director thanked Ludmilla Jordanova for hosting a discussion exploring ways to conduct a peer review of the Gallery's research work and acknowledged the need to be prepared for the introduction of the Arts and Humanities Research Council. The Chairman asked that Kathleen Soriano should report to Trustees at a future meeting on her experience of the Clore fellowship.

## **6. Portraits on Offer**

The Chief Curator reported that external funding had been found to cover most of the cost of the portrait of Roger Fry, thanks to the particular generosity of Sir Christopher Ondaatje and the National Art Collections Fund. The Chairman will write to Sir Christopher with the Trustees' thanks. The portrait of the Duchess of Cleveland would be the subject of a fundraising campaign, with the portrait hung in the Main Hall to attract attention.

- THE TRUSTEES agreed to the acquisition of the portraits on the attached list (appendix 1) with the exception of that of Margaret Hodge

## **7. Commissions**

The Trustees welcomed the report on current Annual Commissions. The Trustees also welcomed the proposed revisions to the process of selecting Annual Commissions (appendix 2), and agreed that the first discussion should take place at the July rather than the May meeting.

## **8. Finance and Planning**

Bruce Jackson presented the Financial Report to 31 December 2004 which the Trustees welcomed. He presented the draft Business Plan and the draft budget, reporting that the announcement under the Government Spending Review 2004 of the Gallery's grants for 2006/7 and 2007/8 had provided a greater sense of security in planning for the future. In discussing the Business Plan, Trustees noted the risk of a loss of continuity due to maternity leave among Gallery staff, the reduced cost of the Soundguide and the need to encourage Soundguide take up by visitors. Trustees suggested that some of the specific targets should be used for internal purposes only. In discussing the Budget for 2005/6, Trustees identified the need to continue to focus on income generation.

- THE TRUSTEES approved the Business Plan 2005-2008 and the budget for 2005/6
- THE TRUSTEES approved in principle the allocation of £175,000 from the Investment and Contingency fund in support of identified Business Plan initiatives

## **9. Audit and Compliance Committee**

Sara Selwood, a member of the Audit and Compliance committee, noted that Stephen Souchon had joined the committee. She reported on the committee's review of the register of key risks (see appendix 3 for a copy of her report). The committee reports formally to the Board of Trustees on the effectiveness of the risk management process. Sara Selwood reported that the committee commended management for its efforts in continuing to develop the process and recommended the Annual Risk Report to the Trustees for approval. The Trustees noted the progress made during 2004/5 in developing the effectiveness of the risk management process and approved the risk report.

## **10. National Portrait Fund**

The Director reported on progress in establishing the new Fund, which will be a restricted fund dedicated to the development of the collections, with its own Trustees, probably no more than eight in number, with three initially drawn from the present Trustee body. The Chairman suggested that the Gallery should consider allocating further reserves to the Fund in addition to the Eccles bequest to achieve a sufficiently substantial sum (e.g. £750,000 or £1m) to demonstrate the Gallery's seriousness of purpose in establishing the Fund and to attract further substantial contributions.

- THE TRUSTEES agreed to the appointment of David Cannadine, Antonia Douro and Amelia Fawcett as three Gallery Trustees to the National Portrait Fund and that these three should identify potential external trustees who would be invited to join after consultation with Gallery Trustees
- THE TRUSTEES agreed that the funds bequeathed to the Gallery by Mary Hyde, Viscountess Eccles, should be allocated to the National Portrait Fund

## **11. 150th Anniversary Progress Report**

The Director reported on progress in formulating the 150th anniversary programme in 2006. He agreed to circulate names of the Gala Committee to Trustees and hoped that there would be an opportunity for members of the Gala Committee to meet Trustees in September. The overall theme for the anniversary fund-raising would be 'Collecting for the Future'.

## **12. Publishing Policy**

Celia Joicey, Publishing Manager, introduced the Publishing Policy, which is to produce books which support the mission of the Gallery and reflect its exhibition programme. It was the intention to provide publications at a range of price points to reach the widest possible audience although not all exhibition publications or collection catalogues would make a profit. The retail environment outside the Gallery remained highly competitive, meaning that the Gallery had to make the best use of the programme of displays and exhibitions to promote its titles. In discussion, the Editorial Advisory Board which includes two Trustees, two external advisers as well as Gallery staff, was identified as playing an important role in guiding the publishing programme. The Director said that an annual report would be brought from the Editorial Advisory Board to the Trustees.

## **13. Matters for Report**

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

## **Appendix 1: List of portraits on offer, 17 February 2005**

### **BARBARA PALMER (née VILLIERS), DUCHESS OF CLEVELAND**

Purchase approved subject to funding

### **ROGER ELIOT FRY**

Purchase approved

### **JOHN NORTHCOTE NASH**

### **FRANCES MARY HODGKINS**

Gift approved

*Eleven drawings and three paintings by Sir William Rothenstein and one drawing of Sir John Rothenstein by Sir Stanley Spencer*

### **HERCULES BRABAZON BRABAZON**

**GEOFFREY DAWSON**  
**SIR JAMES GEORGE FRAZER**  
**SIR WILLIAM HALE-WHITE**  
**ARTHUR HENRY FOX STRANGWAYS**  
**HUMBERT WOLFE** (two drawings)  
**SIR HENRY JOSEPH WOOD**  
**JOHN DRINKWATER**  
**ROBERT BALDWIN ROSS**  
**JAMES THOMAS ('FRANK') HARRIS**  
**HERBERT ALBERT LAURENS FISHER**  
**SIR RABINDRANATH TAGORE**  
**SIR ARNOLD TALBOT WILSON**  
**SIR JOHN KNEWSTUB MAURICE ROTHENSTEIN**  
Allocation approved

**VITA SACKVILLE-WEST**  
Purchase approved

**MARGARET EVE HODGE**  
Purchase declined

**DEBORAH WARNER**  
Purchase approved

**GORDON BROWN**  
Purchase approved

*Four bromide prints commissioned from the photographer, Derry Moore*

**AMANDA FOREMAN**  
**DAME FELICITY ANN EMWHYLA LOTT**  
**SIR MICHAEL RONALD STOUTE**  
**MARK-ANTHONY TURNAGE**  
Gift approved for Photographs Collection

**KENNETH ARTHUR ('KEN') DODD**  
Purchase approved

**SEAMUS HEANEY**  
Purchase approved

**DAME CICELY SAUNDERS**  
Commission approved

## **Appendix 2: REVISION TO ANNUAL PROCESS**

### **The Process for Annual Commissions**

At their meeting in November 2004, Trustees expressed a wish to improve the process by which sitters are chosen within the Gallery's annual commissions programme. Consultation and discussion since the meeting has helped in the formulation of this paper.

The reconsideration of the programme is timely. The programme was initiated by John Hayes in 1980, and will be marked in 2006 with an exhibition celebrating the portraits (and sitters) that have joined the collection over twenty five years. It also seems likely that a special edition of the BBC1 programme *Star Portraits* will be broadcast in the spring of 2006.

Such celebration will emphasize what is exceptional: that the National Portrait Gallery is the only national collection to commission new works of art on a sustained basis, undertaking a process that is innovative and inherently risky.

### **Aim of the Annual Commissions programme**

Commissioning supplements traditional methods of acquiring by purchase, gift or bequest and enables us to represent eminent figures of whom good portraits are not otherwise readily available. The aim of the programme is to achieve each year a number of outstanding portraits - in whatever the most appropriate media - of figures who have made or are making a significant contribution to British life and culture at the highest level and are likely to be of continuing historical interest. In addition is the desire to contribute to the development of portraiture.

The programme includes strands supported by sponsors or benefactors. This currently includes the commission offered to the BP award winner, the celebration of emergent high achievers in the arts with the Jerwood Charity, and those portraits supported by JP Morgan through the Fund for New Commissions, set up in 2002 to help support the commissions programme.

The Annual Commissions programme is complemented by the commissioning of photographic portraits of groups of people in different areas of British life and work. Trustees are consulted on the areas to be covered, the choice of individuals, and they decide in due course whether the resulting photographic portraits should join the primary collection or remain in the Photographs collection. Deloitte are currently supporting commissions of photographic portraits of figures from business and public life.

The Annual Commissions process can be set out in three phases:

### **Consideration of priorities**

At one meeting in the year the trustees will consider the priorities for the following year. This will be based on a short paper summarising recent commissions and offering a commentary on particular fields of endeavour for the Gallery to consider, either because they are under-represented in the collection or because Trustees wish to emphasize aspects of individual activity or achievement that have been overlooked. This would encourage a discussion amongst trustees of any areas needing to be investigated and of particular individuals who might be of great merit, but whose accomplishments may not be familiar to all Trustees.

The Contemporary Curator might every other year present a view of which artists may be in consideration to undertake commissions. Trustees' views on suitable artists are otherwise fed into the Director's deliberations on an informal basis.

### **Nomination and agreement on sitters**

A shortlist of 10 or 15 names, reflecting the trustees' discussions, will be circulated. As at present, Trustees would then be asked to make a nomination for one or two additional candidates. However, it is suggested that the final list be kept to no more than 20 or so names.

Before the following meeting Trustees would be asked to vote on which 5 candidates they would choose. On this basis a priority list of 8-10 will be presented at the meeting, for further discussion, taking into account questions of overall balance and the areas of achievement regarded as a priority.

Because all the chosen sitters, unless already represented in the Primary collection, are being considered under 'Rule Three' it may be appropriate to make sure that there is no

level of objection (three trustees voting against) before taking forward a priority list with which the Director and Contemporary curator can work.

### **Commissioning, reporting and display**

The Director and Contemporary Curator will then initiate discussion with the chosen sitters: first to see whether they are willing to be the subject of a commissioned portrait and secondly to discuss options for the most appropriate artist or photographer to portray them.

Progress reports will be given to trustees at subsequent meetings. When a commissioned portrait is thought by the curators and Director to be complete it is brought to a Trustees' meeting for consideration and approval.

New commissioned portraits will be placed on display either singly or in groups depending on the promotional opportunities and the support of sponsors.

Trustees are asked to decide:

- Whether the process as described is appropriate
- At which meetings in the year they would like discussion to take place (see proposed timetable in Appendix A)

Sandy Nairne  
February 2005

### **Proposed Timetable for Annual Commissions programme**

<i>June</i>	Circulation of short paper summarising recent commissions and offering a commentary on particular fields of endeavour for the Gallery to consider
<i>July meeting</i>	Discussion of any areas needing to be investigated and of particular individuals who might be of great merit, but whose accomplishments may not be familiar to all Trustees
<i>Every other year</i>	Presentation on artists in consideration to undertake commissions
<i>September</i>	Circulation of shortlist of 10 or 15 names, reflecting the trustees' discussions. Trustees then make a nomination for one or two additional candidates.
<i>October</i>	Circulation of final list of no more than 20 or so names. Trustees vote on which 5 candidates they would select.
<i>November meeting</i>	A priority list of 8-10 names is presented to the meeting, for further discussion, taking into account questions of overall balance and the areas of achievement regarded as a priority.
	Newly selected sitters are written to by the Director
<i>Ongoing</i>	Reports at each Trustee meeting of artists selected and progress of commissioned works
	Completed works are presented to Trustees for consideration and approval
	Contemporary curator retains lists of names of those nominated but not successful in any year's process, together with background material on the recognition of outstanding achievement.

## **Appendix 3: Report on risk management from the Audit and Compliance Committee**

### **1. The processes**

In addition to reviewing the status and management of significant risks at each meeting, the Committee undertakes a detailed review of one of the three sections. Having considered the Business Environment & Strategy and Compliance & Financial sections at previous meetings, the 'Operational & Other' risks were reviewed on 2 February.

### **2. The most significant risks and changes to identified risks**

Since reporting to the Trustees in November, the key changes to the Risk Register are as follows:

*B1 External economic environment* – remains at Red A due to the uncertain economic climate. Following on from the discussion of the draft budget (agenda item 8), income targets for both trading and fundraising have been revisited during the course of the budget round in light of the past year's experience. In response to technological changes and Getty Images and Corbis's acquisition of rights to a number of picture library collections, there have been some concerns surrounding the Gallery's Picture Library revenues. The Gallery is currently upgrading its Picture Library software in order to respond to developments in the market.

*B2 Other external risk* – remains at Red A due to the continued threat of terrorism.

*B3 Governance and management effectiveness* – this is a BI risk. Previously it had been upgraded to Red following the British Museum's withdrawal of Internal Audit services, but this has been downgraded now to Amber following our agreement of interim internal audit arrangements with AHL.

*B4 Funding levels* – this A risk has been downgraded from Red to Amber following the Gallery's better than expected grant settlement. However, concerns remain regarding potential capital charges and the use of Reserves under Resource Accounting, on which the Gallery continues to press DCMS for clarification.

*C2 Litigation* – this B risk has been downgraded from Red to Amber following DCMS's approval of the business case for taking out commercial insurance to cover Public Liability, Employer's Liability and other claims.

### **3. Review of 'Operational & Other' risks:**

*O1 Physical Disaster* – no change in status here. It was previously reported that planned fire suppression works had now been completed in the Gallery building and offices, although not all areas were covered. In light of the Momart warehouse fire, the risk to the Merton store from adjacent units has been reviewed and it is deemed to be of low risk. 24-hour security is provided on-site at Merton.

*O2 Failure or Breakdown of Major Management Systems* – no change in status here either, though lift reliability remains a concern due to the potential operational impact on the delivery of the Gallery's programme and its events if the picture lift is out of action. The Committee also felt that reference should be made in future to the risk of IT systems failure, given the impact of such disruption. In future this will be treated as a separate category on the Risk Register.

*O3 Loss or damage to NPG collections or property* – this risk remains high following recent thefts at the BM and V&A. It was reported that all display cases had been assessed and security arrangements reviewed. In terms of temporary collections storage, arrangements for sculpture storage are being made, while the discussions with Tate and the IWM regarding a collaborative storage strategy continue.

*O4 Failure in Project Management* – no change in status here, although it was noted that the Gallery's relationship with its National Trust partners remains very good.

## **Annual Risk Report (agenda item 9)**

**1. Purpose.** In line with the Gallery's 2003 policy on Risk Management, the Audit and Compliance Committee reports formally to the Board on the effectiveness of the Gallery's risk management processes. This provides the principal assurance for the Chairman and Director to sign the Statement on Internal Control confirming that the Gallery has maintained a sound system of internal control during the year.

**2. Process** The Risk Register is the primary means by which the Gallery demonstrates to Trustees the existence and effectiveness of its management of risk. It is reviewed by Audit and Compliance Committee on a quarterly basis, following which the Chair of the Committee provides an update to Trustees at each Board meeting.

**3. Recommendations** Having worked with management to develop the format of the Risk Register, the Audit and Compliance Committee consider it and the underlying process to be an effective tool for assessing, managing and reporting risk. This view is shared by both the external auditors and internal auditors. The Audit and Compliance Committee, therefore, commends management for its efforts in continuing to develop the process and recommends the Annual Risk Report to the Trustees for approval.