

**NATIONAL MUSEUMS SCOTLAND
BOARD OF TRUSTEES**

**MINUTES OF THE MEETING HELD ON 07 SEPTEMBER 2012 AT THE NATIONAL
MUSEUM OF SCOTLAND, EDINBURGH**

Present:

Mr Bruce Minto	Chairman
Dr Isabel Bruce	Trustee
Dr Anna Gregor	Trustee
Mr Andrew Holmes	Trustee
Mr Michael Kirwan	Trustee
Mr Miller McLean	Trustee
Professor Malcolm McLeod	Trustee
Mr Iain Watt	Trustee

Dr Gordon Rintoul (GR)	NMS Director
Mr Andrew Patience AP)	Director of Finance & Resources
Ms Julie Brown (JB)	Head of Corporate Policy & Performance
Ms Catherine Holden (CH)	Director of External Relations (for Items 11 & 12)
Ms Jane Carmichael (JC)	Director of Collections (for Item 13)

Apologies:

Professor Stuart Monro	Trustee
Mr Jamie Troughton	Trustee
Sir John Ward	Trustee

ACTION

ITEM 1 – APOLOGIES

1.1 Apologies were received from Stuart Monro, Jamie Troughton and John Ward.

ITEM 2 – MINUTES OF THE MEETING HELD ON 15 JUNE 2012

2.1 The minutes of the meeting held on 15 June 2012 were approved.

ITEM 3 – MATTERS ARISING

3.1 Matters arising from the last meeting were taken under the main agenda items.

ITEM 4 – DECLARATION OF INTERESTS

4.1 It was noted that there were no declarations of interests from Board members in relation to the substantive items on the agenda.

ITEM 5 – NEW CHAIRMAN'S INTRODUCTORY COMMENTS

5.1 The new Chairman thanked Trustees for their good wishes and messages following his appointment by the Cabinet Secretary for Culture & External Affairs from 01 August 2012. He highlighted the key challenges going forward for the organisation and his initial thoughts on the future format of the Board meetings.

5.2 The Chairman updated the Board on the progress made to date with the Scottish Government on the preparations for the forthcoming Board member recruitment round. It was noted that the timetable had not been finalised as yet by the Scottish Government but the need to have new Trustees in place well in advance of 01 April 2013 had been stressed by the Chairman. The Trustees were thanked for their feedback on the draft Board skills matrix and person specification.

ITEM 6 – DIRECTOR’S REPORT TO THE TRUSTEES **NMS (2012) 26**

6.1 The Director presented his report which had been circulated. He confirmed that the last meeting of the Royal Museum Project (RMP) Executive Group had taken place as planned on 06 September, with no matters requiring to be taken forward. It was noted, therefore, that there would be no further RMP reports to the Board but any minor outstanding matters requiring attention would be managed by the Estates & Facilities Management Committee as required.

6.2 It was agreed that the update in the report on the National Strategy for Scotland’s Museums and Galleries was helpful and further updates would be provided in due course.

GR

6.3 Trustees discussed the appendix to the report which provided details regarding the impact of the first full year of the transformed National Museum of Scotland (NMoS) on visitor numbers and profile. It was noted we had welcomed 2.3 million visitors to Chambers Street, which was more than double that which we set out to achieve and nearly three times our previous record. It was agreed that it would be useful to chart whether the intention to attract a higher proportion of visitors to the upper levels of the building was being achieved.

CH

6.4 The current position on the review of the operation of Museum sites was discussed and noted.

ITEM 7 – FINANCIAL REPORT **NMS (2012) 27**

7.1 Andrew Patience presented the report which had been circulated. For the period to 31 July 2012, the National Museums Scotland budget showed a deficit. This reflected the organisation’s baseline budget at break-even, a timing surplus on exhibitions, and deferred project expenditure from 2011/12.

7.2 The large number of planned estates projects was noted, together with the subsequent impact on budget carry forward. The Director confirmed that the Director of Estates & Facilities was putting in place a new approach to estate projects involving advance feasibility studies and more effective planning, in order to avoid continuing delays against programme plans. The Board also discussed the projected visitor/budget forecasts and the actual income achieved for the special exhibitions since the NMoS reopening in July 2012. The Director confirmed that an assessment was already underway in relation to the first two major exhibitions and that an exhibitions review item would be prepared for the next Board meeting. A Patience then gave an update on the progress of the organisation’s pay proposal.

JC

7.3 Looking to external relationships, the Board noted that:

- Recent changes have been taking place in Government which would lead to increased reporting (financial and non-financial) being asked of National Museums Scotland and other public bodies. These also appeared to have potential implications for the future working relationship between the Scottish Government and Boards.
- The Scottish Government was planning to introduce a new financial regime which was not in accord with our current governance arrangements, and which could have a significant impact on our ability to operate effectively. Further information was currently being sought.
- No progress had been made in finalising a new Management Statement/Financial Memorandum. National Museums Scotland's understanding is that the Scottish Government now intended to issue an entirely new document to replace previous drafts which we had already commented on. The timescale for progress was unclear.

The Director confirmed that further information was currently being sought from the Scottish Government on these key matters, together with formal notification to the Board of the specific Government changes to the financial regime. The Board would be kept fully updated.

GR, AP,
JB

ITEM 8 – REPORTS FROM COMMITTEES

(i) Draft Minutes of the National Museums Scotland Enterprises Limited Board meeting held on 15 June 2012

8.1 The Chairman noted that the draft minutes of the NMSE Limited Board meeting held on 15 June 2012 had been circulated.

(ii) National Museums Scotland Enterprises Limited Board meeting and AGM held on 07 September 2012

8.2 Michael Kirwan (Chairman of the NMSE Limited Board) reported on the key issues arising from the NMSE Limited Board meeting held earlier in the day. The NMSE annual accounts for 2011/12 had been formally approved and the 2012/13 budget was on target for the first quarter. Hospitality & events were facing challenging times due to the current external financial climate, but retail was performing well against budget.

8.3 With regard to the AGM, it was noted that:

- Bruce Minto (as the new Chairman of the National Museums Scotland Board) had been appointed as a shareholder of NMSE Ltd on behalf of the NMS Board of Trustees; this was in place of the previous National Museums Scotland Board Chairman.
- Subject to approval by the National Museums Scotland Board of Trustees, Bruce Minto would be appointed as a Director of NMSE Ltd.

(iii) Draft Minutes of the Personnel & Remuneration Committee meeting held on 18 June 2012

8.4 Iain Watt (Chairman of the Personnel & Remuneration Committee) gave a report on the key issues arising from the Personnel & Remuneration Committee meeting held on 18 June 2012. The Board confirmed its ongoing support of the existing Partnership Agreement between management and the trade unions, and the associated meetings and dialogue

(iv) Draft Minutes of the Estates & Facilities Management Committee held on 31 July 2012

8.5 The Chairman noted that the draft minutes of the Estates & Facilities Management Committee held on 31 July 2012 had been circulated. With regard to collection storage, Andrew Holmes reported that good progress was being made on the National Museums Collection Centre (Port Edgar replacement) project but that government funding had not been awarded to also enable the relocation of the collections currently stored at Leith Customs House. It was noted, however, that the Director of Estates & Facilities had structured the project appointments to include the provision of plans for an extended building so that an accurate and cost efficient estimate could be provided to the Scottish Government if funds were to become available.

(v) Audit Committee meeting held on 27 August 2012

8.6 Miller McLean (Chairman of the Audit Committee) reported on the key issues arising from the meeting. He confirmed that the Scottish Government's changing financial and governance relationship with public bodies (ref. minute 7.3 above) had been discussed at the meeting and, as with the Board, the members had concerns regarding the associated consequences for our governance and Management Statement/Financial Memorandum going forward.

8.7 Miller McLean reported that the Committee has reviewed the key business issues including the newly reviewed Risk Register. It was noted that the organisation now had ten key risks with the top one still being buildings not being fit-for-purpose.

**ITEM 9 – NATIONAL MUSEUM OF SCOTLAND
MASTERPLAN PHASE 3: UPDATE**

NMS (2012) 28

9.1 The Director introduced the update which had been circulated. He gave a brief outline of the proposed governance structure which would be coming to the Board for formal approval at its next meeting, and added that the Board would receive reports and presentations on the exhibition and design elements of the Project at regular intervals. The Board of Trustees noted progress on the development of the NMoS Masterplan Phase 3 and progress to date on the associated fundraising.

ITEM 10 – ANNUAL REPORT AND ACCOUNTS 2011/12 **NMS (2012) 29**

10.1 The Board approved the Annual Report and Accounts for 2011/12, subject to the agreed amendments recommended by the Audit Committee. Miller McLean (Chairman of the Audit Committee) stated that the external auditors (PWC) had given an unqualified opinion.

ITEM 11 – MARKETING & COMMUNICATIONS STRATEGY 2012-16 **NMS (2012) 30**

11.1 C Holden joined the meeting and presented the paper which had been circulated. The Board of Trustees approved the revised Marketing & Communications Strategy 2012-16.

ITEM 12 – ANNUAL REVIEW **NMS (2012) 31**

12.1 The Board of Trustees noted the date of the annual Open Meeting and the planned approach to the 2012 Annual Review. As in previous years, the final text and design would be approved by the Director.

ITEM 13 – REVIEW OF COLLECTIONS ACTIVITY **NMS (2012) 32**

13.1 Jane Carmichael presented her report which had been circulated. The Board noted progress on acquisitions, loans, research (including awards), national and international working (including awards), collections storage and publications. The importance of the strong relationship between research, public programmes and acquisitions was acknowledged by the Board.

ITEM 14 – APPOINTMENTS TO COMMITTEES AND NMS ENTERPRISES LTD BOARD **NMS (2012) 33**

14.1 The Chairman confirmed that the planned review of the Board Committees and related groups was already underway, and that this topic has formed part of his recent one-to-one discussions with all the Trustees following his appointment.

14.2 The Board approved the following:

- The new Chairman becoming a shareholder of NMSE Ltd on behalf of the National Museums Scotland Board of Trustees, in place of the previous Chairman (ref. minute 8.3 above).
- The new Chairman becoming a Director of NMSE Ltd (ref. minute 8.3 above).
- The appointment of the Chairman as the interim NMS Enterprises Ltd Chairman from 1 January 2013, until two of the new National Museums Scotland Board members are appointed to the NMSE Ltd Board following the forthcoming Trustee recruitment round.

14.3 The Board noted the following:

- The Chairman was considering the establishment of a new Finance Committee, and also a Board committee whose remit would include the recruitment of new Trustees and other such matters. It was unlikely that either would meet until after the new Trustees were appointed in spring 2013.
- The Chairman would approach another member of the Development Board to chair the Development Board in his place.
- Consideration was being given to inviting one or more external advisers to join the Research Advisory Group if necessary.

ITEM 15 – DATES OF BOARD MEETINGS 2013/14

NMS (2012) 34

15.1 The Board noted the meeting dates for 2013/14.

ITEM 16 – FORWARD PROGRAMME OF BUSINESS

NMS (2012) 35

16.1 The Board noted the Forward Programme of Business.

ITEM 17 – ANY OTHER BUSINESS

17.1 There was nothing to report.

ITEM 18 – DATE OF NEXT MEETING

18.1 The next Board of Trustees meeting will be held on Friday, 23 November 2012.