

**NATIONAL MUSEUMS SCOTLAND  
BOARD OF TRUSTEES**

**MINUTES OF THE MEETING HELD ON 23 NOVEMBER 2012 AT THE NATIONAL  
MUSEUM OF SCOTLAND, EDINBURGH**

**Present:**

Mr Bruce Minto	Chairman
Dr Isabel Bruce	Trustee
Dr Anna Gregor	Trustee
Mr Michael Kirwan	Trustee
Mr Miller McLean	Trustee
Professor Malcolm McLeod	Trustee
Professor Stuart Monro	Trustee
Mr Jamie Troughton	Trustee
Sir John Ward	Trustee
Mr Iain Watt	Trustee

Dr Gordon Rintoul (GR)	NMS Director
Mr David Spilsbury (DS)	Interim Director of Finance & Planning
Ms Julie Brown (JB)	Head of Corporate Policy & Performance
Ms Fiona Stewart (FS)	Director of Estates & Facilities (for Item 5)
Ms Jane Ferguson (JF)	Head of Marketing & Communications (for Item 9)
Ms Jane Carmichael (JC)	Director of Collections (for Item 11)

Gareth Hoskins	Director, Gareth Hoskins Architects (for Item 5)
Robert Dunlop	Regional Director, Sweett (UK) Ltd (for Item 5)

**Apologies:**

Mr Andrew Holmes	Trustee
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**PRELIMINARIES**

It was noted that Michael Kirwan and Sir John Ward's terms of appointments would come to an end on 31 December, and that this was their last Board meeting. The Chairman thanked Michael Kirwan and Sir John Ward for their significant contributions as Trustees of National Museums Scotland since 2005. Throughout their tenure they had been involved in a wide range of matters, providing support to the organisation and championing the Museum externally. The Chairman presented them both with the National Museums of Scotland medal in appreciation of their service.

The Chairman announced that Anna Gregor, Andrew Holmes and Isabel Bruce had all accepted the Cabinet Secretary's invitation to serve a second term on the Board of Trustees from 01 April 2013 to 31 March 2017.

The Chairman highlighted that the Scottish Government's deadline for applications for new Board Trustees was 25 November. As their schedule currently stood, the interviews would be held in the week commencing 21 January and the new Trustees would be appointed by 01 April 2013.

**ITEM 1 – APOLOGIES**

1.1 Apologies were received from Andrew Holmes.

**ITEM 2 – MINUTES OF THE MEETING HELD ON 07 SEPTEMBER 2012**

2.1 The minutes of the meeting held on 07 September 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 – NMCC MASTERPLAN AND NEW BUILD PROJECT: DESIGN PROPOSALS**

**NMS (2012) 36**

5.1 Fiona Stewart, Gareth Hoskins and Robert Dunlop joined the meeting and gave a presentation on the National Museums Collection Centre (NMCC) Masterplan and New Build (Port Edgar Replacement) project. The Board of Trustees:

- Noted the progress of the NMCC Masterplan.
- Approved Design Stage D of the new build facility to enable the project to progress through to detailed design and tender stage.
- Requested a key fact sheet be prepared for Trustees which included costs and allocation of space for required purposes.

**FS**

5.2 The Board noted that the benefits of being able to proceed with the proposed Phase 2 of the building had been brought to the attention of the Scottish Government. Undertaking this alongside the existing project would result in a significant financial saving and enable the vacation of Leith Customs House. It was understood that the Government were currently considering the matter.

**FS**

It was also noted that useful initial discussions had been held with the National Galleries regarding the scope for future joint developments at the Granton site, building upon the successful joint arrangements which already exist.

**ITEM 6 – DIRECTOR’S REPORT TO THE TRUSTEES**

**NMS (2012) 37**

6.1 The Director presented his report which had been circulated. The Chairman welcomed the progress being made by the Digital Media department, particularly with regard to the development of web content to enhance engagement.

**ITEM 7 – FINANCIAL REPORT**

**NMS (2012) 38A**

7.1 David Spilsbury presented the report which had been circulated. The Board of Trustees noted the following:

- The deficit on operational income and expenditure was forecast to be lower than budget, which meant a lower than planned use of reserves in 2012/13 was expected.
- Recurrent savings in staffing and other operational costs were being achieved which would assist in meeting the impact of the reductions in Grant in Aid in the medium term.
- Capital expenditure was forecast to be lower than planned in 2012/13 for the NMCC project, which had resulted in a request to the Scottish Government to move funds forward to 2013/14.

7.2 It was noted that financial governance issues connected to our relationship with the Scottish Government remained unresolved and a significant risk going forward. The Board expressed their deep concerns regarding the position and it was reported that the Audit Committee had discussed this matter earlier in the day, including the impact on the role of Trustees going forward. The Chairman advised that the Board should wait to see the Government's finalised arrangements for charitable NDPBs before any action was agreed. He outlined that a recent meeting with the Cabinet Secretary, our sponsor team and finance department in the Scottish Government, and the National Galleries of Scotland had provided a potentially positive starting point for resolving matters.

**NMS (2012) 38B**

7.3 The Board authorised the Chairman to sign the documentation required by the Royal Bank of Scotland for the revised banking arrangements relating to Bank Mandates.

**ITEM 8 – SCOTTISH GOVERNMENT RELATIONSHIP**

**NMS (2012) 39**

8.1 The Director presented the report which had been circulated. The Board noted there were a number of issues arising with regard to the Scottish Government's relationship with public bodies, including:

- The increasing "one size fits all" approach to bodies with the differences between them not being effectively recognised.
- A move towards tighter control and less flexibility, which was in conflict with the "arms-length" approach to the governance of NDPBs.
- The range, volume and timing of Government reporting requirements, and the urgent need to radically consolidate them and make them proportionate.
- Changes impacting on the financial governance of charitable NDPBs (as highlighted above).

Following discussion, the Director and J Brown undertook to keep the Board of Trustees updated on this matter.

**GR, JB**

**ITEM 9 – NATIONAL MUSEUM OF COSTUME****NMS (2012) 40**

9.1 The Director presented the paper which had been circulated. The Chairman outlined the main points arising from the recent meeting with the Cabinet Secretary regarding the proposed closure of the National Museum of Costume, and the Director reported on the subsequent members' debate in the Parliament on 21 November. It was noted that a meeting would take place with Dumfries & Galloway Council (and potentially other representatives), and that Appendices 1 and 2 of the paper would be shared externally. It was agreed that an important discussion was the options for future collaboration if the site was closed (ref. Appendix 2).

9.3 It was confirmed that the future of the National Museum of Costume would be discussed again at the next Board meeting on 01 February. In the meantime, Trustees would be kept informed of any developments.

GR, JF

**ITEM 10 – NATIONAL MUSEUM OF SCOTLAND: PHASE 3 PROJECT****NMS (2012) 41**

10.1 The Board of Trustees:

- Approved the governance structure for the National Museum of Scotland (NMoS) Masterplan Phase 3.
- Noted progress on the development of the NMoS Masterplan Phase 3.
- Noted progress to date regarding fundraising for the NMoS Masterplan Phase 3.

**ITEM 11 – SPECIAL EXHIBITIONS PROGRAMME: UPDATE****NMS (2012) 42**

11.1 Jane Carmichael joined the meeting to present the paper which had been circulated. She stated we were experiencing a transitional period in the organisation's overall approach to special exhibitions and programming, and that good progress was being made in the associated review of activity and relevant departments.

11.2 The Board of Trustees noted:

- The update on the Special Exhibitions Programme.
- The end of project review of the *Catherine the Great: An Enlightened Empress* exhibition.

With regard to the Programme, it was suggested that a reference to target audiences might be helpful going forward. On *Catherine the Great*, it was agreed it had been an unprecedented success in terms of raising our national and international profile. However, it was recognised there were challenges in accurately forecasting the likely visitor numbers for special exhibitions given there have only been two since the reopening of NMoS in July 2011, and also given the improved offer in the free, permanent galleries. Work would continue on this area going forward.

**ITEM 12 – REVIEW OF BOARD COMMITTEES****NMS (2012) 43**

Julie Brown presented the report which had been circulated. The Board of Trustees approved:

- The creation of a new Board Finance Committee and its term of reference.
- The creation of a new Nominations & Governance Committee and its terms of reference.
- The updated terms of reference for the existing four Board Committees: Acquisitions; Audit & Risk; Estates; and Personnel & Remuneration.

With regard to the Finance Committee it was acknowledged that this could not be established until after the new Trustees were appointed in spring 2013. With respect to the Audit Committee it was noted that “risk” had been added to its title.

**ITEM 13 – REPORTS FROM COMMITTEES****(i) Minutes of the Audit Committee meeting held on 27 August 2012**

13.1 The Chairman noted that the draft minutes of the Audit Committee meeting held on 27 August had been circulated.

**(ii) Minutes of the National Museums Scotland Enterprises Ltd Board meeting held on 07 September 2012**

13.2 The Chairman noted that the draft minutes of the NMSE Ltd Board meeting held on 07 September had been circulated. Michael Kirwan (Chairman of the NMSE Ltd Board) reported that activity was in line with what was reported at the last Board meeting and that the improvements to the main NMoS shop were scheduled to be completed in March 2013.

13.3 The Chairman thanked Michael Kirwan for chairing the NMSE Ltd Board since 2006.

**(iii) Personnel & Remuneration Committee held on 26 October 2012**

13.4 Iain Watt (Chairman of the Personnel & Remuneration Committee) gave a verbal report on the key issues arising from the Personnel & Remuneration Committee meeting held on 26 October. They included the recent, positive meeting with trade union representatives, and also the intention to review how all of the recent changes in organisational structure were working in practice later in 2013/14, after the current reviews and changes had been completed.

**(iv) Estates & Facilities Committee meeting held on 05 November 2012**

13.5 Jamie Troughton, (Chairman of the Estates & Facilities Management Committee) reported on the key issues arising from the Estates & Facilities Committee meeting held on 05 November. The main items were the presentation on the NMCC Masterplan and New Build Project, and the schedule of backlog maintenance. He also confirmed that the new Head of Estates Operations would be commencing on 21 January.

**(v) Audit Committee meeting held on 23 November 2012**

13.6 Miller McLean (Chairman of the Audit Committee) reported on the key issues arising from the meeting held earlier in the day. As noted above, the members discussed financial governance issues and, as a consequence, it was agreed that this topic would be added to our risk register. The Committee had also received the internal audit reports on cash handling and the implementation of the new finance IT system, and the external auditor's annual plan.

**DS**

13.7 The Chairman thanked Sir John Ward for chairing the Audit Committee from 2006-2012 and he also thanked Michael Kirwan for his contribution as a member from 2005.

**ITEM 14 – COLLECTIONS FOCUS: ACTIVITY REPORT NMS (2012) 44**

14.1 The Board of Trustees noted progress on acquisitions, accreditation, professional profile, research projects and staffing.

**ITEM 15 – FORWARD PROGRAMME OF BUSINESS NMS (2012) 45**

15.1 The Board noted the Forward Programme of Business.

**ITEM 16 – ANY OTHER BUSINESS**

16.1 The Board conveyed their sincere thanks and best wishes to Michael Kirwan and Sir John Ward.

**ITEM 17 – DATE OF NEXT MEETING**

17.1 The next meeting will be held Friday, 01 February 2013.