

**NATIONAL MUSEUMS SCOTLAND
BOARD OF TRUSTEES**

**MINUTES OF THE MEETING HELD ON 26 MARCH 2010 AT THE NATIONAL MUSEUM
OF SCOTLAND, EDINBURGH**

Present:

Sir Angus Grossart	Chairman
Mr Jim Fiddes	Trustee
Dr Anna Gregor	Trustee
Mrs Lesley Hart	Trustee
Mr Andrew Holmes	Trustee
Mr Michael Kirwan	Trustee
Professor Malcolm McLeod	Trustee
Professor Stuart Monro	Trustee
Mr Ian Ritchie	Trustee
Sir John Ward	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 Fiona Bell (FB)	RMP Project Director/Director of Estates & Facilities Management (for Item 9)
Ms Jane Carmichael (JC)	Director of Collections (for Item 13)

Apologies:

Dr Isabel Bruce	Trustee
Professor Michael Lynch	Trustee
Mr Iain Watt	Trustee

ACTION

ITEM 1 – APOLOGIES

1.1 Apologies had been received from Dr Isabel Bruce, Professor Michael Lynch and Mr Iain Watt. The Chairman explained that Dr Bruce was still unwell but that he had arranged to brief her following the meeting, and would pass on good wishes for her recovery.

ITEM 2 – MINUTES OF THE MEETING HELD ON 29 JANUARY 2010

2.1 The minutes of the meeting held on 29 January 2010 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 regarding the substantive items on the agenda.

ITEM 5 – CHAIRMAN’S REPORT TO THE TRUSTEES

5.1 The Chairman presented his report. He commenced with the sad news that Sir James Black had passed away on 22 March, and paid tribute to Sir James and to his achievements. The Board members expressed their appreciation for the generosity Sir James had shown National Museums Scotland, including the donation of a range of significant material.

5.2 The Chairman reported that he had now met Fiona Hyslop (Minister for Culture & External Affairs) and that a summary of the main discussion points featured in the Director’s Report to Trustees. A further meeting would be arranged to discuss the new Strategic Plan update and to tour the Royal Museum construction site.

5.3 The Board noted that that the public appointments round has been delayed, and that the Chairman was in the process of following up a number of issues with both the Commissioner and the Scottish Government. It was confirmed that the round would still proceed in the near future and Trustees would be kept updated on the revised timeline.

ITEM 6 – DIRECTOR’S REPORT TO THE TRUSTEES

NMS (2010) 08

6.1 The Director presented his report which had been circulated.

6.2 The Board were informed that the Public Services (Reform) Scotland Bill had been passed by the Scottish Parliament on 25 March and would now proceed to receive Royal Assent. The Director confirmed that the final version included the amendments relating to the National Collections which were highlighted at the last Board meeting. Although these were considered to be significant improvement on the original version of the Bill, the National Museums Scotland view remained that they did not provide sufficient safeguards for the National Collections due to their complexity and possible issues around the Bill’s interpretation by future Governments.

6.3 The Director reported that Ian Ritchie had offered to convene an informal external advisory group. Its purpose will be to advise the Director of Public Programmes and the Head of Digital Media on the development and deployment of new technology within National Museums Scotland to assist with public understanding of our exhibits.

ITEM 7 – FINANCIAL REPORT

NMS (2010) 09

7.1 Andrew Patience presented his report which had been circulated. For the period to 31 January, the National Museums Scotland budget for 2009/10 showed a small surplus. This reflected the organisation’s efficiency/savings programme, and a timed saving on Royal Museum Project initiatives. These were offset by deferred project expenditure from 2008/09. The forecast for the year was ahead of budget due to utility, salary and recruitment savings less some additional projects.

ITEM 8 – REPORTS FROM COMMITTEES

(i) Minutes of the National Museums Scotland Enterprises Limited Board meeting held on 29 January 2010

8.1 The Chairman noted that the minutes of the National Museums Scotland Enterprises (NMSE) Limited Board meeting held on 29 January had been circulated to the Board. Michael Kirwan, Chairman of the NMSE Limited Board, had reported on the meeting to the Board on 29 January.

(ii) Minutes of the Personnel & Remuneration Committee meeting held on 10 February 2010

8.2 The Chairman noted that the minutes of the Personnel & Remuneration Committee meeting held on 10 February had been circulated to the Board.

8.3 Lesley Hart, Chairman of the Personnel and Remuneration Committee, updated Trustees on the recent national strike action relating to changes in the Civil Service Compensation Scheme. With regard to the Government's next Spending Review/Pay Policy 2011-14, she reported that both management and unions recognised that the implications for National Museums Scotland were currently unclear.

(iii) Minutes of the Estates & Facilities Management Committee meeting held on 09 March 2010

8.4 The Chairman noted that the minutes of the Estates & Facilities Management Committee meeting held on 09 March had been circulated to the Board.

8.5 Jim Fiddes, Chairman of the Estates & Facilities Management Committee, reported that the need for Government investment to address our long term issues relating to the maintenance and renewal of our estate was intensifying. A building at the National Museums Collection Centre had now deteriorated to a point that the staff and collections based there would need to be vacated. The Director confirmed that the Minister and our sponsor team were fully aware of our estate and storage issues. He undertook to report on this latest development to the Scottish Government to inform the prioritisation of their capital investment funding.

GR

8.6 The Director reported on the latest discussions with our sponsor team in the Scottish Government and Transport Scotland regarding our Port Edgar site and the second Forth crossing. Trustees resolved that this was now a matter of priority and that a long term solution should continue to be sought. It was agreed that the Director would write to the Minister for Culture & External Affairs on behalf of the Board.

GR

(iv) Verbal Report from the Audit Committee meeting held on 26 March 2010

8.7 Sir John Ward, Chairman of the Audit Committee, gave a verbal report on the Audit Committee meeting held on 26 March 2010.

8.8 Sir John Ward updated Trustees on the organisation's current key risks which included: fundraising; the Royal Museum Project; a major fall in income/funding or an increase in costs; and our buildings falling below operational standards. It was agreed that the Board would be provided with a written report on the top four to six risks on an annual basis and that Board members would request further information as required.

AP

8.9 Sir John Ward stressed that the organisation was facing an extremely challenging financial situation going forward due to:

- The anticipated cuts in public sector expenditure under the forthcoming Spending Review (2011-14).
- The fact that the National Museums have already made significant CRES savings and there was now little scope for future reductions without them impacting on capacity.
- The Board Reserve being at a significantly lower level than in recent years.
- The outstanding issue of Resource Accounting (depreciation impact only) in relation to the valuation of heritage buildings from 2011.
- National Museums Scotland's significant estate maintenance and renewal issues which require urgent capital investment by Government.

8.10 The Board noted that the Scottish Government had now issued a proposed Management Statement/Financial Memorandum to the National Museums, Galleries and Library of Scotland. The Director reported that the version received by National Museums Scotland differed from the one agreed in 2007 with the then Scottish Executive. Therefore, National Museums Scotland planned to discuss the new draft further with our sponsor department.

8.11 The Board approved the appointment of our internal auditors for the next three year period from April 2010 to March 2013.

ITEM 9 – ROYAL MUSEUM PROJECT: PROGRESS REPORT NMS (2010) 10

9.1 Fiona Bell introduced the report which had been circulated.

9.2 Trustees noted that the commercial evaluation of the tenders for the exhibition fit-out was almost complete and the technical evaluation was expected to conclude by 2 April. Provided that no unexpected technical issues emerged, it was anticipated that the cost would be within the approved exhibition fit-out budget.

9.3 The Board approved:

- The delegation of the final appointment of the exhibition fit-out contractor to the Project Executive Group, subject to the appointment being within budget.
- The re-introduction of elements of the project that were removed from scope as part of value engineering, subject to the appointment remaining within budget and achievable within the approved programme.

9.4 It was agreed that it would be useful for Trustees to discuss the plans for the reopening of the Royal Museum building, including the associated marketing activities. The Director undertook to invite the Director of Marketing & Communications to present an item on this topic at either the June or September Board meeting.

GR, CH

ITEM 10 – FINALISATION OF STRATEGIC PLAN 2006-2012 (2010/11 UPDATE) NMS (2010) 11

10.1 The Board approved the draft 2010/11 update to the Strategic Plan 2006-2012, subject to the agreed final amendments.

10.2 It was noted that the end-of-year statistics and performance data would be collated and included in the document during the latter half of April. The final version would be completed, submitted to the Scottish Government and circulated to all our staff in May.

GR, JB

ITEM 11 – BUDGET 2010/11 AND KEY ISSUES 2011/12 NMS (2010) 12

11.1. The Board of Trustees approved the budget for the year 2010/11.

11.2 It was recognised that there would be significant financial pressures in the next two years as public sector bodies faced an increasingly challenging period in terms of future funding. The main concerns related to: the potential outcome of the next Spending Review (2011-14); uncertainty regarding future pay awards; increasing costs (e.g. energy); and our estate maintenance and renewal issues. It was agreed that the emerging picture should continue to be kept under close scrutiny, and that this would be considered further at the forthcoming strategic discussion day with the Corporate Management Team.

GR, AP

ITEM 12 – HEALTH & SAFETY: ANNUAL REPORT 2009 NMS (2010) 13

12.1 The Board of Trustees noted the Health and Safety Annual Report for calendar year 2009.

ITEM 13 – REVIEW OF COLLECTIONS ACTIVITY NMS (2010) 14

13.1 Jane Carmichael joined the meeting and presented her report which had been circulated. The Board of Trustees noted progress on: new funding opportunities for research; acquisitions; loans and national working; and recognition.

13.2 It was suggested that Trustees would find it useful to receive summarised information on the key elements and strengths of our collections, relative to those held in other institutions. It was agreed that this could be trialled as part of a Board morning session in the latter half of the year.

JC

13.3 The Chairman thanked Jane Carmichael and her senior colleagues from the Natural Sciences Department for the taxidermy presentation earlier in the day. He asked if at future meetings the review and presentations could include some illustrative information which briefed Trustees on some of the proposed display initiatives which were being evolved.

ITEM 14 – FORWARD PROGRAMME OF BUSINESS

NMS (2010) 15

14.1 The Board noted the Forward Programme of Business.

14.2 The Chairman highlighted the forthcoming Board/CMT strategic discussion day on 24 May at the National Museum of Scotland, and confirmed that the day would include a tour of the Royal Museum construction site.

GR, CMT

ITEM 15 – ANY OTHER BUSINESS

15.1 There was nothing to report.

ITEM 16 – DATE OF NEXT MEETING

16.1 The next meeting will be held on Friday 11 June.