

**NATIONAL MUSEUMS SCOTLAND
BOARD OF TRUSTEES**

**MINUTES OF THE MEETING HELD ON 19 NOVEMBER 2010 AT THE NATIONAL
MUSEUM OF SCOTLAND, EDINBURGH**

Present:

Sir Angus Grossart	Chairman
Dr Isabel Bruce	Trustee
Dr Anna Gregor	Trustee
Mrs Lesley Hart	Trustee
Mr Andrew Holmes	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 Andrew Patience AP)	Director of Finance & Resources
Ms Julie Brown (JB)	Head of Corporate Policy & Performance
Ms Fiona Bell (FB)	Director of Estates & Facilities Management (for Item 9)
Mr Stuart Allan (SA)	Senior Curator, Scotland & Europe (for Item 10)
Ms Catherine Holden (CH)	Director of Marketing & Development (for Item 13)
Mr Sandy Richardson (SR)	Head of Development (for Item 13)
Ms Jane Carmichael (JC)	Director of Collections (for Item 14)

Apologies:

Mr Bruce Minto	Trustee
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ACTION

ITEM 1 – WELCOME AND APOLOGIES

1.1 The Chairman welcomed the appointment of three new Trustees – Bruce Minto, Miller McLean, and Jamie Troughton – to National Museums Scotland’s Board of Trustees.

1.2 Apologies were received from Bruce Minto.

ITEM 2 – MINUTES OF THE MEETING HELD ON 10 SEPTEMBER 2010

2.1 The minutes of the meeting held on 10 September 2010 were approved subject to the following addition:

Minute Item 8.6 (ref. Audit Committee meeting held on 13 August 2010)

In the second sentence, the words “high risk” would be inserted before “matters of concern”.

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 interest from Board members in relation to the substantive items on the agenda.

ITEM 5 – CHAIRMAN’S REPORT TO THE TRUSTEES

5.1 The Chairman presented his report. He had engaged in a great deal of contact with Ministers since the last Board meeting. He also reported that there had been a visit to our storage site at Port Edgar by the Minister for Culture & External Affairs in connection with the plans for the new Forth crossing.

5.2 The Chairman reported on the National Museums Scotland Annual Open meeting held on 10 November, which had been a success.

5.3 Further to the departure of Jim Fiddes, Ian Ritchie and Michael Lynch from the Board and the commencement of the three new Trustees, it was noted that the Chairman was considering the vacancies on the Board Committees and related groups. The intention would be to bring proposals to the next Board meeting.

5.4 The Chairman reported that a number of Trustees had met with him in recent weeks and the other members were encouraged to arrange to meet him in the coming weeks.

**CHAIR,
GR, JB**

ITEM 6 – DIRECTOR’S REPORT TO THE TRUSTEES NMS (2010) 32

6.1 The Director presented his report which had been circulated. Trustees welcomed the news that, since the Minister’s aforementioned visit to Port Edgar, the Scottish Government had now allocated some of the capital funding required to enable National Museums Scotland to vacate the site and address the associated storage requirements. This funding would be available in 2011/12. However, the Board noted that the issue of the further funding required to complete the project would need to be discussed with the Scottish Government following the May 2011 elections.

ITEM 7 – FINANCIAL REPORT NMS (2010) 33

7.1 Andrew Patience presented his report which had been circulated. For the period to 30 September 2010, the National Museums Scotland budget for 2010/11 showed a deficit. This reflected the organisation’s baseline budget at break-even and a timed saving on Royal Museum Project (RMP) initiatives. These were offset by RMP NMS Enterprises costs, deferred project expenditure from 2009/10 and additional project expenditure in the year. The budget forecast for the year was currently showing a favourable variance.

ITEM 8 – REPORTS FROM COMMITTEES

(i) Draft Minutes of the Estates & Facilities Management Committee meeting held on 23 August 2010

8.1 The Chairman noted that the draft minutes of the Estates & Facilities Management Committee meeting held on 23 August 2010 had been circulated to the Board.

(ii) Minutes of the National Museums Scotland Enterprises Ltd Board meeting held on 10 September 2010

8.2 The Chairman noted that the minutes of the National Museums Scotland Enterprises Ltd Board meeting held on 10 September 2010 had been circulated to the Board.

(iii) Draft Minutes of the Personnel & Remuneration Committee meeting held on 13 October 2010

8.3 The Chairman noted that the draft minutes of the Personnel & Remuneration Committee meeting held on 13 October 2010 had been circulated to the Board. Lesley Hart (Chairman of the Personnel & Remuneration Committee) gave a brief update on the outcome of the voluntary redundancy scheme.

(iv) Verbal Report from the Audit Committee meeting held on 19 November 2010

8.4 Sir John Ward (Chairman of the Audit Committee) gave a verbal report on the Audit Committee meeting held on 19 November. He updated the Board on the current position regarding each of the organisation's top key risks, those being: a major fall in income; building maintenance and renewal; the Royal Museum Project; and National Museums Scotland Enterprises Ltd income. As part of this, he highlighted the impact on the first two risks of the Scottish Government's 2011/12 budget allocation to National Museums Scotland.

ITEM 9 – ROYAL MUSEUM PROJECT: PROGRESS REPORT NMS (2010) 34

9.1 Fiona Bell introduced the progress report and gave a further verbal update. The Board of Trustees noted:

- The delay in completion of some parts of the base build works by the main works contractor.
- Some changes to the programme for the exhibition contractor.
- That the target opening date remained unchanged.
- The Project would be completed within the resources available.
- The good progress on our fundraising towards the £12 million target.

ITEM 10 – ROYAL MUSEUM GALLERIES: NEXT PHASE OF DEVELOPMENT NMS (2010) 35

10.1 The Director presented the paper which had been circulated.

The Board agreed:

- The overall framework, recognising that the initial ideas would be developed significantly as the project progressed.
- National Museums Scotland would commence work towards a first-round HLF application for submission by 30 November 2011.
- More detailed proposals would be brought back to the Board for consideration in advance of the HLF application being drafted.

GR

10.2 The Director and S Allan confirmed that: some of the terminology in the paper included temporary working titles; there would be a review regarding the staff, expertise and resources required to progress this next phase; and that there would be dialogue both internally and externally to inform the new plans.

ITEM 11 – SCOTTISH GOVERNMENT SPENDING REVIEW 2011-15: UPDATE

11.1 The Director gave a verbal update. He reported that National Museums Scotland has received a 4.16% cut in Grant-in-Aid and a 50% reduction in its acquisitions budget under the Scottish Government's draft budget for 2011/12 announced on 17 November. It was confirmed that, in effect, this represented an overall annual cut of 5.3% against our 2010/11 grant. Furthermore, the implementation of the Government's new pay policy would lead to an increase in the organisation's salary costs. Options currently under consideration to cope with the cuts included reducing payroll costs through a recruitment freeze, natural wastage and restructuring.

11.2 The Trustees commented that:

- The budget for the National Museums for 2011/12 was tight.
- Given the organisation already operated in an extremely efficient way, and had been working to achieve a more effective and streamlined operation for the past five years, it was difficult to see how this cash cut could be achieved without impacting on service levels.
- The organisation was already working to identify ways in which externally generated income could be enhanced.
- A one year budget made it extremely difficult to plan for the future.

11.3 The Board agreed that:

- It had no present plans to introduce admission charges at the National Museum of Scotland and this would be confirmed in a press statement.
- Having made significant investment in the redevelopment of the National Museum of Scotland, resources would be prioritised to ensure its successful reopening from summer 2011.
- Decisions on service cuts would be carefully considered to minimise the potential impact on visitors and other users.
- The prospect of major budget cuts in future years meant that significant cuts in service or other radical measures might need to be considered at a later time.

ITEM 12 – DIGITAL FUTURES PLAN

NMS (2010) 36

12.1 The Board of Trustees noted the Plan.

ITEM 13 – NEW DEVELOPMENT STRATEGY

NMS (2010) 37

13.1 The Board of Trustees approved the new Development Strategy and the proposals to:

- Maintain the momentum of capital fundraising.
- Set up a new Development Board to support our fundraising.
- Launch annual giving as a new channel of income.
- Secure new sponsorships and corporate partnerships.
- Generate increased income from Patrons and membership through revised and re-launched schemes.

ITEM 14 – REVIEW OF COLLECTIONS ACTIVITY

NMS (2010) 38

14.1 Jane Carmichael presented her report which had been circulated. The paper summarised progress on significant acquisitions, loans, partnerships and national working, international matters and research-related events.

ITEM 15 – FORWARD PROGRAMME OF BUSINESS

NMS (2010) 39

15.1 The Board noted the Forward Programme of Business.

ITEM 16 – ANY OTHER BUSINESS

16.1 Nothing to report.

ITEM 17 – DATE OF NEXT MEETING

17.1 The next meeting would be held on Friday 28 January 2011.