

**NATIONAL MUSEUMS SCOTLAND  
BOARD OF TRUSTEES**

**MINUTES OF THE MEETING HELD ON 09 SEPTEMBER 2011 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
Professor Malcolm McLeod	Trustee
Mr Bruce Minto	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 Jane Carmichael (JC)	Director of Collections (for Item 12)

**Apologies:**

Mr Miller McLean  
Stuart Monro

**Preliminaries:**

The Chairman thanked Lesley Hart for her significant contribution as a Trustee of National Museums Scotland since 2003. Throughout her tenure she had been involved in a wide range of matters, providing support to the organisation and enthusiastically championing the Museum externally. The Chairman presented her with the National Museums of Scotland medal in appreciation of her service.

Jim Fiddes and Ian Ritchie, who had recently retired as Trustees, attended lunch before the meeting. The Chairman again thanked them for their long and valued service as Trustees, and presented them with the National Museums of Scotland medal.

In recognition of the great achievement of Bruce Minto and the Campaign Board in their fundraising for the restored Museum, the Chairman presented him with the National Museums of Scotland medal, on behalf of the Campaign Board.

**ITEM 1 – APOLOGIES**

1.1 Apologies had been received from Miller McLean and Stuart Monro.

**ACTION**

**ITEM 2 – MINUTES OF THE MEETING HELD ON 10 JUNE 2011**

2.1 The minutes of the meeting held on 10 June 2011 were approved subject to the second sentence in Minute Item 8.4 (ref. National Museums Enterprises Limited Board meeting held on 10 June 2011) to now read:

*For the year ended 31 March 2011, NMSE achieved a small improvement over budget which was very positive given the current financial climate and the impact of the bad weather over the Christmas period.*

**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 gave his verbal report. He reported formally that the National Museum of Scotland had opened on time, to budget, ahead of its fundraising target, and to enormous public and critical acclaim.

The Board of Trustees expressed their sincere thanks to National Museums Scotland staff, and their appreciation of the skill and dedication shown by everyone involved which was a critical factor in ensuring that the Royal Museum Project was completed on time and within budget.

5.2 The Chairman updated Trustees on contact with the Ministers, senior Scottish Government officials and with other cultural organisations since the last Board meeting.

**ITEM 6 – DIRECTOR’S REPORT TO THE TRUSTEES** **NMS (2011) 29**

6.1 The Director presented his report which has been circulated. It was noted that, while work was proceeding to finalise the brief for a new storage building for the National Museums Collection Centre to replace the Port Edgar site, the necessary funding had still not been confirmed by the Scottish Government. Dialogue was continuing. The Board expressed serious concern and noted that any outcome would not be known until the forthcoming Spending Review announcement on 21 September.

**ITEM 7 – FINANCIAL REPORT** **NMS (2011) 30**

7.1 Andrew Patience presented the report which had been circulated. For the period to 31 July 2011, the National Museums Scotland budget for 2011/12 showed a deficit. This reflected the organisation’s baseline budget at break-even, timing of expenditure on the Royal Museum Project (RMP) and deferred project expenditure from 2010/11.

**ITEM 8 – REPORTS FROM COMMITTEES**

**(i) Draft Minutes of the National Museums Scotland Enterprises Limited Board meeting held on 10 June 2011**

8.1 The Chairman noted that the draft minutes of the National Museums Scotland Enterprises Limited Board meeting held on 10 June 2011 had been circulated to the Board.

**(ii) Verbal Report on the National Museums Scotland Enterprises Limited Board meeting held on 09 September 2011**

8.2 Michael Kirwan (Chair of the NMSE Limited Board) reported on the National Museums Scotland Enterprises Limited Board meeting held on 09 September 2011. The NMSE annual accounts for 2010/11 had been formally approved and the 2011/12 budget was on target for the first quarter. The Board noted that catering and hospitality & events were going well, while current footfall patterns in the new shops indicated that some logistical adjustments may be required.

**(iii) Draft Minutes of the Personnel & Remuneration Committee held on 16 June 2011**

8.3 The Chairman noted that the draft minutes of the Personnel & Remuneration Committee held on 16 June 2011 had been circulated to the Board. Lesley Hart (Chair of the Personnel & Remuneration Committee) reported on communication within the organisation and the Corporate Management Team structure.

8.4 The Chairman thanked Lesley Hart for chairing the Committee since 2008 and for her contribution as a member from 2005. The Board confirmed the Chairman's recommendation that Iain Watt be appointed as the new Chair of the Personnel & Remuneration Committee from 1 October.

**(iv) Draft Minutes of the Audit Committee meeting held on 04 August 2011**

8.5 The Chairman noted that the draft minutes of the Audit Committee held on 04 August 2011 had been circulated to the Board.

8.6 Sir John Ward (Chair of the Audit Committee) confirmed that the organisation's two top risks continued to be: a major fall in income or a major increase in costs; and maintenance of our estate. On Risk 1, he highlighted that options would come to the Board for consideration at the next Board meeting in November (i.e. following the Spending Review announcement on 21 September). KPMG had been asked to conduct an assessment of the financial scenarios in terms of process and sustainability. On Risk 2, Sir John Ward confirmed that its resolution was also connected to the awaited Spending Review outcomes. It had been agreed that it would be sensible to split estates maintenance from renewal in the organisation's Risk Register in future.

AP

**(v) Verbal Report from the Estates & Facilities Management Committee meeting held on 31 August 2011**

8.7 Jamie Troughton (Chair of the Estates & Facilities Management Committee) reported on the Estates & Facilities Management Committee held on 31 August 2011. A draft briefing document relating to the permanent relocation of the collections from Port Edgar to Granton was now in circulation for comment. The estate maintenance backlog had now been prioritised and an action list was being developed. There were at present no outstanding critical actions regarding statutory compliance.

**(vi) Proposals regarding the future of the National Museum of Rural Life's Joint Advisory Committee**

8.8 The Board of Trustees discussed and approved the proposals regarding the future joint working arrangements between National Museums Scotland and National Trust Scotland with regard to the National Museum of Rural Life.

8.9 The Board agreed that it would be appropriate to take stock of future plans for the site and this would be fully considered at a future meeting. The Chairman encouraged Trustees to maintain informal engagement with our Museums outwith Chambers Street now that the RMP was completed by attending events and making contact with the General Managers if planning a visit. Isabel Bruce indicated that she would be happy to develop such links with the National Museum of Rural Life.

GR  
Trustees  
IB

**ITEM 9 – ROYAL MUSEUM PROJECT: REVIEW AND REPORT**

**NMS (2011) 31**

9.1 The Director introduced the report which had been circulated. He was pleased to announce that visitor numbers to the transformed National Museum of Scotland had already reached over 500,000. The Trustees welcomed the unprecedented level of public interest, the great response from over 1,000 donors, the positive feedback from professional peers, and the extraordinarily positive and extensive media coverage.

9.2 With regard to the plans for new galleries going forward, the Director confirmed that the organisation was currently looking to submit a bid to the Heritage Lottery Fund and that the draft application would be considered at the next Board meeting. The Chairman also highlighted the galleries-related meeting that was scheduled to take place during the morning session on 18 November.

GR

**ITEM 10 – SPENDING REVIEW: UPDATE**

**NMS (2011) 32**

10.1 The Director and Andrew Patience presented the update paper which has been circulated, and the Trustees considered the latest position. It was agreed that it was of vital importance that the Scottish Government recognise and financially incentivise public organisations who were successful, and had a proven track record in improving their efficiency and effectiveness and in increasing their external income. An even handed approach could discriminate against those who were already prudent, and fail to support success and achievement.

As noted above under minute item 8.6, the outcome of the Spending Review and options for any appropriate action would be discussed at the November Board meeting.

GR, AP

**ITEM 11 – ANNUAL REPORT AND ACCOUNTS 2010/11 NMS (2011) 33**

11.1 Andrew Patience introduced the draft Annual Report and Accounts for 2010/11 and noted the wording changes received from a Board member. Sir John Ward (Chairman of the Audit Committee) confirmed that unqualified reports had been received from Audit Scotland regarding the Annual Accounts and KPMG in relation to the internal audit programme.

11.2 A commitment for the provision of funding by the Scottish Government to initiate a defined and sustained programme of investment and renewal in the Estate remaining unresolved, the Trustees unanimously concluded that the Board was unable at this stage to approve the Annual Report and Accounts. This reflected the very significant scale of the operational and financial risks and uncertainties facing the organisation within this area, and their responsibilities as Trustees for consequential risks. It was hoped that the required investment was being given every consideration within the current Spending Review. It was agreed that the Board would review its position once the outcome of the Spending Review was known. In the meantime, a letter would be sent, by the Chairman, to the Cabinet Secretary for Culture & External Affairs, informing her of the Board's present position.

Chair,  
GR

**ITEM 12 – REVIEW OF COLLECTIONS ACTIVITY NMS (2011) 34**

12.1 Jane Carmichael (Director of Collections) joined the meeting and presented her report which has been circulated. The Board noted progress on significant acquisitions, loans, and national and international working.

12.2 Now that the RMP was completed, the Collections team had started to look to the future. A key factor was the development of the collections. This would require an assessment of our key strengths and potential, our relative expertise, priorities for acquisition, a framework for increasing the reach and visibility of collections, and the development of a dynamic and proactive culture which reflected high standards and international ambitions. Proposals, and options, would be brought to the Board for consideration and approval.

JC

**ITEM 13 – BOARD OF TRUSTEES MEETING DATES: 2012/13 NMS (2011) 35**

13.1 The Board noted the meeting dates for 2012/13.

**ITEM 14 – FORWARD PROGRAMME OF BUSINESS NMS (2011) 36**

14.1 The Board noted the Forward Programme of Business.

**ITEM 15 – ANY OTHER BUSINESS**

15.1 The Board conveyed their sincere thanks and best wishes to Lesley Hart.

**ITEM 16 – DATE OF NEXT MEETING**

16.1 The next meeting will be held Friday, 18 November 2011 in the National Museum of Scotland, Edinburgh