

**NATIONAL MUSEUMS SCOTLAND
BOARD OF TRUSTEES**

**MINUTES OF THE MEETING HELD ON 18 NOVEMBER 2011 AT THE NATIONAL
MUSEUM OF SCOTLAND, EDINBURGH**

Present:

Sir Angus Grossart	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 Bruce Minto	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
Mrs Sheilagh Stewart	Head of Human Resources (for item 10)
Mr Alex Hayward (AH)	Keeper of Science & Technology (for item 11)
Ms Nicola Pickavance (NP)	Development Manager (for item 11)

ACTION

ITEM 1 – APOLOGIES

1.1 There were no apologies.

ITEM 2 – MINUTES OF THE MEETING HELD ON 09 SEPTEMBER 2011

2.1 The minutes of the meeting held on 09 September 2011 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 – CHAIRMAN’S REPORT TO THE TRUSTEES

5.1 The Chairman gave his verbal report. He updated the Board on recent meetings with Ministers, including his meeting on 3 November with Fiona Hyslop (Cabinet Secretary for Culture & External Affairs) and the Director regarding funding for backlog maintenance. National Museums Scotland had submitted a case for £3.4 million for 2011/12 and further funding in the following years to address this significant issue facing the organisation. The Director then reported on his subsequent meeting with the Scottish Government on 17 November, at which we were offered an allocation of £2.2 million over three years to cover backlog maintenance and our purchase grant.

The Board noted the Cabinet Secretary’s clear recognition of the serious condition within our estate. However, given the extent of the organisation’s backlog maintenance problems and the substantial monies required to resolve them, Trustees resolved that: the proposed allocation was not sufficient; and that our purchase grant and funding for estates should be handled separately. It was agreed that the Chairman would go back to the Scottish Government to seek an improvement on the offer and would feed back to the Board on the outcome.

5.2 The Chairman reported that he had recently presented Dr Walter Scott with the National Museums of Scotland medal, in recognition of his very generous donation to the fundraising campaign for the transformed National Museum of Scotland and his huge support throughout.

Chairman

ITEM 6 – DIRECTOR’S REPORT TO THE TRUSTEES

NMS (2011) 37

6.1 The Director presented his report which had been circulated. The Board noted the success of the first of the RBS Museum ‘Lates’ at the National Museum of Scotland on 11 November. Over 1,200 people enjoyed an evening of music and performances, sponsored by the Royal Bank of Scotland, with visitors busily taking part in activities and touring the galleries. The next one was scheduled to take place in February.

ITEM 7 – FINANCIAL REPORT

NMS (2011) 38

7.1 Andrew Patience presented the report which had been circulated. For the period to 30 September 2011, the National Museums Scotland budget 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) Minutes of the Estates & Facilities Management Committee Meeting held on 31 August 2011

8.1 The Chairman noted that the minutes of the Estates & Facilities Management Committee meeting held on 31 August 2011 had been circulated to the Board.

(ii) Verbal Report from the Estates & Facilities Management Committee Meeting held on 08 November 2011

8.2 Jamie Troughton (Chairman of the Estates & Facilities Management Committee) reported on the Estates & Facilities Management meeting held on 08 November 2011. He confirmed that, since the last Board meeting, the Scottish Government had formally awarded £8.7 million to National Museums Scotland to enable the permanent relocation of the collections stored at Port Edgar to make way for the second Forth crossing. Jamie Troughton also gave a brief overview of the prioritised annual expenditure programme for addressing the backlog maintenance problems, which was based on the assumption that the required funding would be forthcoming from Government.

(iii) Draft Minutes of the NMS Enterprises Ltd Board meeting held on 09 September 2011

8.3 The Chairman noted that the draft minutes of the NMS Enterprises Ltd Board meeting held on 09 September had been circulated to the Board. Michael Kirwan (Chairman of NMSE Enterprises Ltd) reported that retail income at the National Museum of Scotland was not meeting expectations and that hospitality & events market was softening in the current financial climate. It was still anticipated that the overall NMSE income target for 2011/12 would be achieved. The Board noted that signage and shop lighting were both already being addressed, and Trustees discussed some of the retail wider issues and possible solutions. Michael Kirwan confirmed that the NMSE Enterprises Ltd Board would be holding an extra meeting on 15 December to consider the retail issues and options, and that Trustees would be updated at the next Board meeting on 3 February.

MK, GR

(iv) Verbal Report from the Personnel & Remuneration Committee meeting held on 13 October 2011

8.4 Iain Watt (Chairman of the Personnel & Remuneration Committee) reported on the Personnel & Remuneration Committee meeting held on 13 October 2011. As this was his first meeting in his role as the new Chairman, he had taken the opportunity to take an overview with the other Committee members of the organisation's general direction and its plans for the next ten years. The other main items covered at the meeting included: senior management recruitment; the forthcoming UK-wide industrial action on 30 November; the pay remit; and the leadership actions going forward in the Staff Survey.

(v) Verbal Report from the Audit Committee meeting held on 18 November 2011

8.5 Sir John Ward (Chairman of the Audit Committee) reported on the Audit Committee meeting held on 18 November 2011. He confirmed that the organisation's top four risks remained unchanged. On Risk 1, a major fall in income or a major increase in costs, he confirmed that the audit process would be completed in March. On Risk 2, maintenance of our estate, Trustees noted the process was still ongoing but external validation on building risk was expected by December. The Audit Committee were not able

to confirm the robustness of the current processes supporting Risks 1 and 2 for reasons noted in the Committee's minutes.

ITEM 9 – ROYAL MUSEUM PROJECT: PROGRESS REPORT

NMS (2011) 39

9.1 The Director presented the report which has been circulated. He confirmed that, within the next week, the transformed National Museum of Scotland would welcome its one millionth visitor since the reopening on 29 July. The Board congratulated staff on this huge achievement and noted that Trustees would be emailed a copy of the media announcement on release.

GR, JB

9.2 The Director reported that the National Museum of Scotland had been named 'Best Building in Scotland' in the prestigious Andrew Doolan Awards. The prize was presented to Gareth Hoskins Architects by the Cabinet Secretary for Culture & External Affairs.

9.3 The Director confirmed that the formal RMP review sessions had gone well and that the key learning points would be fed into future projects.

ITEM 10 – SPENDING REVIEW: OUTCOMES AND OPTIONS IN RESPONSE

NMS (2011) 40

10.1 The Director and Andrew Patience presented the paper which had been circulated. It was highlighted that, based on the assumptions provided, the organisation's budget would effectively be adrift by £1.1 million if we did not increase income and/or reduce costs over the next three financial years. Following discussion, the Board of Trustees agreed the proposed strategy for dealing with the Spending Review outcome and approved the implementation of Options 5.1-5.4. In addition, the importance of having sufficient donation boxes within the National Museum of Scotland given the high number of visitors was stressed.

10.2 The Director and the Director of Finance were asked to explore again any possible savings that could be made by changing opening times at our sites, taking into account any potential loss in income. Further financial projections would be prepared for consideration at the next Board meeting.

GR, AP

ITEM 11 – HERITAGE LOTTERY FUND APPLICATION FOR NEW GALLERIES

NMS (2011) 41

11.1 The Director introduced the paper which had been circulated. Following consideration of the proposals, the Board of Trustees agreed:

- The change proposed to create 10 new galleries rather than 11, with a larger Egypt gallery being developed.
- Option 1 in the paper would be progressed for the delivery of the next phase of development.
- A Round 1 bid would be submitted to the Heritage Lottery Fund (HLF) on 19 December 2011 for a grant of just under £5 million towards the delivery of new European Art & Design and Science & Technology galleries.

GR, AH,
NP

- To allocate £250k from the Board Reserve as seed corn matched funding, to enable the further development of the project to proceed from the HLF Round 1 submission to Round 2.

AP

11.2 It was noted that further discussions would take place regarding the main options for new displays outwith the HLF bid, and that recommendations and assessments would be developed so that final decisions could be made.

ITEM 12 – GAELIC LANGUAGE PLAN 2012-15

NMS (2011) 42

12.1 Trustees noted that, following consideration at the Board meeting on 10 June 2011, the draft Gaelic Language Plan 2012-15 was offered for public consultation for a period of six weeks from August to October. The feedback received had been taken into account in the final draft circulated to Trustees. The Gaelic Language Plan was then approved for formal submission to the Bòrd na Gàidhlig.

ITEM 13 – REVIEW OF COLLECTIONS ACTIVITY

NMS (2011) 43

13.1 The Board of Trustees noted the paper from Jane Carmichael (Director of Collections).

13.2 The Chairman reported that he had met the Director and Jane Carmichael recently regarding the Collections review, and that their useful dialogue would inform the Keepers' forthcoming discussion with Trustees at the Board morning session on 3 February.

ITEM 14 – FORWARD PROGRAMME OF BUSINESS

NMS (2011) 44

14.1 The Board noted the Forward Programme of Business.

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 Friday 03 February 2012.