**BT 09/02p**

# National Galleries of Scotland
# Board of Trustees

Minute of the meeting of the Board of Trustees held in the Boardroom, The Dean Gallery, Belford Road, Edinburgh on Friday 27 March 2009 at 1400 hrs.

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| **Present:** | Sir Brian Ivory, Chairman<br>Ian Barr<br>Ray MacFarlane | Marc Ellington<br>Herbert Coutts<br>Anne Bonnar |
| **In Attendance:** | John Leighton, Director-General<br>Michael Clarke<br>James Holloway | Catrin Tilley<br>Nicola Catterall<br>Jacqueline Ridge |
| **Apologies:** | James Dawnay<br>Professor Richard Thomson<br>James Knox<br>Richard Burns | Ruth Wishart<br>Alasdair Morton<br>Simon Groom |
| **Secretariat:** | Elaine Anderson | |

**Action**

1 **Chairman's Business**

The Chairman welcomed Anne Bonnar back to the Board following a period as Transition Director at Creative Scotland.

The Chairman confirmed that he would be stepping down from office following this meeting. The new Chairman was announced as Ben Thomson. He would be taking over from 1 April 2009.

2 **Minutes**

Minutes noted and approved.

3 **Matters Arising**

3.1 **Titian Legal Costs**

Colleagues discussed the legal costs relating to the Titian negotiations and concluded that they were content for the Audit Committee to be kept informed of costs on their behalf.

3.2 **Finance Department**

Ms Catterall asked trustees to note that a Financial Controller had been appointed.

4 **Director-General's Report**

Mr Leighton noted in particular the opening exhibition of the Artist Rooms and the announcement of the successful HLF bid for the Portrait Gallery project. Mr Leighton commended Mr Holloway and Ms Tilley on the success.

Mr Leighton also congratulated Mr Clarke and Christopher Baker on the excellent Turner and Italy exhibition which had opened that day.

It was noted that the Chairman had been interviewed by The Scotsman and the focus of that interview had been the launch of the Scottish Art initiative on the NGS website.

Mr Barr commented on the Artist Rooms touring programme and queried how the Art Fund support fitted with the Scottish Government funding. Ms Anderson agreed to circulate opening dates of all the Artist Rooms shows across Scotland. EA

5 **Draft Corporate Plan 2009-11**

Mr Leighton explained the process which had been undertaken to review the Corporate Plan for 2009-11, taking into account the Scottish Government's National Performance Framework. A high level of ambition had been maintained, while allowing for the economic reality. There was a drive for more focus and greater linkage across the different strategies, exploiting the advantages of the over-arching theme. The Senior Management Team had met on a number of occasions in the last few months to bring it to this stage. The next stage was to work with staff to formulate the action plan, modify the objectives where appropriate and develop performance measures.

The Chairman commended the team on progress so far. He considered that the concept of a gallery without walls was a powerful one that drove development.

Ms Bonnar expressed concern that technology, in particular digitisation, was not explicitly mentioned at this level.

Ms MacFarlane considered that the vision was too generic and there was nothing to say that it was specifically NGS. She also considered that not enough had been made of partnership. Colleagues discussed the importance of engagement with the public and partnership's role in enabling

this. Mr Leighton considered that partnership was covered adequately in section 1.3 and was a key element of the "gallery without walls" concept.

Colleagues discussed culture's contribution to tourist spend and the specific statement on the first page. Ms Catterall qualified the statement and explained how the figure had been calculated.

Colleagues discussed the move towards a more visitor service-focused approach and the use of security staff to provide that service. Ms Catterall reported that the change in focus had gone well, warding staff had been re-named "Gallery Attendants" and visitor services had improved. She considered that there was no greater security risk to the collection as Attendants still had security training and it remained an important part of the role.

Mr Coutts suggested that the boxes made it clear that the content referred to the National Performance Framework. He commented also that partnership took into account dispersed national collections and the need for regional engagement.

Mr Barr asked that a performance measure on partnership was included.

The Chairman asked if visitor attitude surveys had been used to inform developments. Ms Tilley explained the level of market research carried out to date. More detailed research would be carried out once Artist Rooms had bedded in and the Portrait Gallery had re-opened. In the meantime information was being gathered from ALVA (Association of Leading Visitor Attractions) through its secret visits.

It was noted that 80% of the Development Department's time would be focusing on the Portrait of the Nation project over the next two years.

Mr Leighton asked trustees to note that budgets were shrinking considerably. There was no money to do the kind of touring programme which was most desirable, but NGS would be making the most out of Artist Rooms and that is where the emphasis would be.

Trustees approved the draft Plan.

## 6 Finance

### 6.1 Financial Outlook

Ms Catterall asked trustees to note the serious funding constraints facing NGS and the fact that the budget for 2008-09 would finish in deficit. To assist in balancing the budget for 2009-10, project spend had been delayed and department budgets cut. The closure of the Portrait Gallery had also enabled significant savings in running costs. The tight budget was partly due to the fact that three major projects were being carried. Much work was needed over the next two years to aggressively re-align spending and enable the re-opening of the Portrait Gallery.

Ms Bonnar asked if Grant-in-aid was secure. Ms Catterall explained that there was nothing stopping Scottish Government cutting the budget further in future years.

Following discussion, it was agreed that the revised financial strategy should be discussed by the full Board and not just the Audit Committee. NC/EA

Ms Bonnar asked if radical options may have to be considered. Ms Catterall commented that anything done so far was considered the “easy” stuff and tougher options now had to be considered. It was noted also that output had considerably increased, so choices would have to be made on cutting activity.

The Chairman was keen to encourage the new Chair to have a strategy session with trustees as soon as possible. The annual session had been delayed for the incoming Chair.

Mr Coutts queried the ability to raise funds from sharing works with museums abroad. Mr Clarke explained that, although funds had been raised this way in the past, it was becoming a less likely source of income.

Ms Bonnar suggested that some further financial modeling with more extreme scenarios be undertaken in advance of future discussions.

6.2 **Budget Approval 2009-10**

Ms Catterall explained how the budget had been developed to 2011. A deficit was being predicted for exhibitions. Ms Tilley noted that sponsorship in 2008 had been very strong, therefore the transition to more difficult times would be challenging.

Mr Barr commented that he had asked previously for figures on education spend. It was agreed that this could be picked up through the Learning & Access Committee. He also expressed concern that there was no funding going into digitisation and IT. Mr Leighton explained that the Management Team was very keen to find funding, but there was nowhere to take it from. It was hoped that some funding may be found through the shared services route with the National Library. Ms Tilley pointed out that some digitisation work was taking place through Portrait of the Nation and Artist Rooms.

Mr Coutts asked if NGS charged to download images from the collection. It was noted that NGS charged only for high quality images. Mr Leighton commented that there was a rather piecemeal approach to this at the moment, but it would be looked at as part of the broader financial strategy.

Trustees noted and approved the approach.

## 7 Gallery and Department Reports

### 7.1 National Gallery

Mr Clarke asked colleagues to note the tremendous achievement of the purchase of Titian's Diana and Actaeon.

Mr Clarke commented on the disruption of the tram works and potential effect on visitor numbers over the remainder of the year. Following a meeting with the Council, it was suggested that the works may not stop for the duration of the Festival. Meantime the visitor numbers to the Mound were bearing up well.

### 7.2 Portrait Gallery

#### 7.2.1 Update on Progress: Portrait of the Nation

Mr Holloway offered trustees sight of the full project report which had been shared with the Major Capital Projects Committee.

It was noted that the David Laing bequest had been formally transferred to the Portrait Gallery.

Mr Holloway reported on two travelling exhibitions: Shepherds Life had just finished in London; and Twelve Poets had recently finished in Inverness.

Ms Tilley outlined details of the forthcoming Farewell Festival programme at the Portrait Gallery the following weekend. All trustees were invited to attend the events.

7.3 **Gallery of Modern Art**

The report was noted.

8 **Information Reports**

8.1 **Forthcoming Exhibitions**

The report was noted.

8.2 **Visitor Figures**

The visitor figures for January and February 2009 were noted.

9 **Sub-Committee Minutes**

9.1 **Audit Committee: 9 March 2009**

The minute was noted.

9.2 **Major Capital Projects Committee: 9 March 2009**

The minute was noted.

10 **Any Other Business**

10.1 **The Chairman**

Mr Ellington commented that this was Sir Brian's last meeting as Chairman and offered sincere thanks on behalf of the Board.

11 **Date of Next Meeting**

Monday 1 June 2009