

THE TRUSTEES OF THE NATIONAL MARITIME MUSEUM

THREE HUNDRED AND EIGHTIETH MEETING

09.30 THURSDAY 19 JANUARY 2023

HELD IN THE BOARDROOM

MINUTES

Trustees present:

Admiral Sir Mark Stanhope (Chair)
Professor Clare Anderson
Lance Batchelor
Dr Fiona Butcher
Dr Helen Czerski
Sir Stephen Deuchar
Alastair Marsh
William Nye
Jeremy Penn
Professor Andrew Thompson

In attendance:

Paddy Rodgers	CEO, Royal Museums Greenwich
Gail Symington	Executive Creative Director
Chris Walker	Executive Business & Operations Director
John Avberhota	Head of People & Culture
Lucy Cooke	Head of Development
Karen Eden-Tuxford	Head of Commerce & Visitor Experience
Jane Costantini	Governance and Museum Records Manager

~Governance Session~

1. Apologies

Apologies received from Trustees Murdoch MacLennan and Professor Julian Dowdeswell.

2. Declaration of relevant interests related to this meeting

Jeremy Penn noted his position as Chair of the RMG Foundation in relation to item 10.4.

3. Draft Minutes of Board meeting 379 of 27 October 2022

The Board agreed the minutes to be a true record of the meeting. The Chair of the Board certified the minutes accordingly.

4. Formal recording of new Chair of Trustees

The Chairman formally announced that following Trustees' review of the excellent applications from Professor Thompson and Lance Batchelor, Mr Batchelor has been elected Chairman by the Board of Trustees.

Admiral Sir Mark added that the Board was enormously fortunate to have had two such talented applicants for the role and the final decision had been very close.

There were no questions arising and Lance Batchelor was **formally recorded** as the new Chairman of RMG Trustees.

5. Update on Committee recruitment membership

The Chairman informed the Board that letters had been sent out to Trustees this week regarding the various committee vacancies so, pending responses, we hope to have filled gaps on the Audit Committee and on the Remuneration and Nominations Committees. The First Light Trustee Project Committee was being established under Andrew Thompson's chairmanship and several Trustees had been approached to join. We still have vacancies on the ORNC 'Quad' group and on the RMG Foundation, which we shall look to fill in due course. The Governance Manager undertook to send Trustees a final list once all roles have been filled.

There were no questions arising so the update on committee membership was **noted**.

6. Update on campaign for four new Trustees

The Chairman informed Trustees that we would be shortly commencing a new recruitment campaign for four new Trustees with specialisms in Astronomy, Finance, IT/Digital, Community Engagement. Based on our recent experience it is not anticipated that these Trustees would start before 2024. Trustees will be invited shortly to suggest prospective candidates. Jeremy Penn added that we hoped to attract more candidates from diverse backgrounds by reducing the number of 'essential' criteria.

There were no questions arising so the update on the campaign for new Trustees was duly **noted**.

7. Director's Report

The Director began by saying that visitation to all our sites was doing well but in terms of current challenges we were still experiencing difficulties in filling certain staff vacancies. This is largely due to the fact that there are personnel shortages in certain sectors which in turn result in pressures around wage expectations. Moving forward, it is critical that we are perceived as a fair payer and also that staff have an understanding of our broader financial position.

DCMS have recommenced discussions on the Framework Document 2022/23-2024/25 which sets out the broad framework within which ALBs and DCMS operate. The same agreement will be used for all ALBs and the Freedoms Charter is being included for the first time as an annex. The Framework Document is still in draft form and subject to further amendments following discussions with ALB colleagues. DCMS are aiming to have these in place by the start of the new financial year. Once we are confident that we are approaching a final draft we shall share with Trustees.

When asked to elaborate a little regarding the Freedoms Charter the Director stated that these were a set of exemptions from, or modifications to, a number of financial and operating requirements applying specifically to ALBs; a particularly positive development is that the current draft appears to give us greater freedom on pay matters.

Following the successful Diwali event in the autumn, the Director advised Trustees that we are expecting around 10,000 visitors for Lunar New Year.

On the Ocean Court project the Director said that whilst this is a key capital project to resolve the long term issues we have with the roof, it was also an opportunity to facilitate increased programming around the subject of the ocean. Dr Czerski noted her enthusiasm for the project and the aim of bringing more science into the Museum.

Our new Sustainability Manager was doing some excellent work in establishing baselines from which we can start measuring our progress. A critical decision will be how we deliver power to First Light.

On the next stage of the historic photographs digitisation project the Director conceded that progress was slow mainly because of the demands placed on staff working on other priorities but the Digital Approach Working Group were meeting soon to progress the next stage of the project.

The Director reported good progress from the ORNC Quad group regarding the Grand Axis crossing, which, if achieved, would open up access to the Grand Axis vista from the River Thames to the Queen's House.

This section redacted in accordance with the Freedom of Information Act 2000 S. 36 prejudicial to the effective conduct of public affairs.

Next, the Director explained his thinking around the management financial model for the First Light Project. In essence this would be that some of the admissions income derived from the ROG when it re-opens will be re-invested back into the displays as they will need to be kept up-to-date continuously. The Trustees were broadly supportive of this model but hoped that in addition some of the income could be used to bring people to our other venues. There was also discussion around pricing levels which if increased might lead to fewer visitors (and hence put less strain on the buildings and potentially improve the visitor experience), but equally we need to keep in mind our ambition to make the offer accessible

to all and our grant givers may want evidence of this so there is a careful balance to be struck.

The Director concluded by saying that for the project update meeting scheduled for 23 February Trustees would receive a master document and a truncated Gantt chart with the key elements of the project.

There were no further questions and the Chairman thanked the Director for his report which was **noted**.

8. People and Culture update

The Head of People and Culture provided Trustees with an update on the Pay Review Process. The schedule has slipped back a little and we are now aiming to complete the process in May. Trustees asked what external data would be used in the review and whether we have funds for increases and were told that we have consulted within the sector and we have budgeted to track the 2022 increase in London living Wage plus 5% of non LLW paybill to cover pay increases for non LLW staff.

There were no further questions for the Head of People and Culture so the Chairman thanked him for his update which was **noted**.

9. Visitor update

The Head of Commerce and Visitor Experience informed the Board that we had welcomed 410,000 visitors this quarter with income from our charged sites just over £1m, representing an increase of £100,000 above initial forecast. Retail sales generated £621,000, £131,000 above target. We had a good October, thanks largely to half term and Diwali and the period between Christmas and new year which was very busy. The *Cutty Sark* is now attracting similar numbers to the pre-Covid 2019 period. Overall, so far this year we have welcomed over 1.4 million visitors, 560,000 less than 2019. Looking forward to the year ahead we are hoping to start getting visitors back from China now that travel restrictions have been lifted.

Trustees asked about the income generated from the ice rink and were told that the £127k received by us represented our commission. This is the fourth year of five under our current contract with Arena, and as the rink has proved so successful we will be in a stronger negotiating position next time.

There were no further questions or comments and the Board thanked the Head of Commerce and Visitor Experience for her presentation which was **noted**.

10. Finance Update Report

10.1 Finance Report 2022/23

The Executive Business & Operations Director provided Trustees with a recap on visitor numbers over the last year compared to 2019/20 and an illustration of what we might expect over the next three years. He reiterated that we are optimistic for a return of Chinese visitors. We are engaging with a number of Travel Trade representatives from China and SE Asia and with a digital agency to access Chinese social media channels.

He reminded the Board that at the last meeting we were predicting to break even at the end of the financial year with a modest contingency of £400k. At the end of Q3, having done better than forecast on visitor numbers and with significant underspend on payroll, largely due to the number of unfilled vacancies, we are now predicting a £1.5m positive result, pending our drawdown of the £1.18m Covid support from Government. Assuming this is the final outturn we shall be making a grant to the RMG Foundation subject to Trustees' approval under item 10.4.

Turning to the future, the Executive Business & Operations Director said that we are currently working on the assumption that we shall see deficits of up to £1m in 2023/24; £2m in 2024/25; £5m in 25/26 (assuming closure of the ROG). Our lead admissions pricing for ROG and Cutty Sark will increase in 2023/24 to £18 (from £16) and to £12 (from £10) for planetarium shows. We are budgeting to track the 2022 increase in LLW and for a 5% increase in our non LLW wage bill.

We shall be taking the budget to the Audit Committee for approval at their meeting on 23 February and it will come back to the Board at the next meeting in April.

Trustees discussed whether we are being overly cautious in our predictions especially now that the Chinese market is re-opening, noting that visitors from China spend more when they visit than other visitors. Conversely it was noted that some caution may be required regarding the opening up of China on the basis that Covid is still a significant issue there. The Executive Business & Operations Director was asked whether closure of the whole ROG site would be necessary in 2025/26. Trustees were informed that we might be able to keep some areas open for part of the redevelopment for a reduced ticket price, as we had done in the past with some success, but this would need to be balanced against minimising the overall closure period.

There were no further comments and the Chairman thanked the Executive Business & Operations Director for his Finance Report which was **noted**.

10.2 Investments: request to delegate authority to the Audit Committee

The Audit Committee Chair advised the Board that at their last meeting the Committee had discussed the desirability of a more active management of our investments, as with closer management we can probably improve on current performance. There were no objections to this proposal so the delegation of authority to the Audit Committee to oversee investments was **agreed**.

10.3 Revised Audit Committee Terms of Reference

A number of revisions had been proposed to the Audit Committee Terms of Reference at the last meeting, amongst which was the inclusion of AC oversight on investments as discussed above and the role of the Audit Committee in reviewing aspects of the Museum's financial planning on behalf of the Board when deemed appropriate.

Trustees asked that the deletion of the sentence regarding the timing of meetings vis-à-vis the Board is reversed and the sentence maintained as first

agreed. There were no other objections and the revised Audit Committee terms of reference were **approved**.

10.4 Resolution to transfer funds to the RMG Foundation

The Executive Business & Operations Director reminded Trustees that their recent practice has been to apply any surplus on unrestricted revenue reserves arising from Museum activities to the making of a grant to RMG Foundation, and that the Directors proposed a similar approach for 2022/23. Trustees enquired whether we need to consider the adequacy of NMM reserves and were informed that this would be considered by the Audit Committee.

There were no further questions and Trustees **resolved** to apply any surplus on unrestricted revenue reserves arising from Museum activities for the year ended 31 March 2023 wholly to the making a grant to RMG Foundation.

11. First Light update

Trustees had received the Director's update on the First Light project in his earlier report and as they would be receiving further updates on 23 February there were no further points raised under this item.

12. Development Update

The Head of Development informed the Board that informal approaches had been made to DCMS and to BEIS and we had engaged someone with experience in making NLHF applications. We are aiming to have five to ten high net worth individuals pledging at least £10m by summer 2023. Thanks were extended to all Trustees who have provided potential contacts. The dinner on 9 March will be key and Trustees were asked to suggest possible guests.

In terms of corporate support, we have established some good connections with NASA and whilst we probably will not get any financial support from them they are very keen to be involved as they see the ROG as the birthplace of astronomy. On digital support we are seeking to engage an expert consultant in this field. *This sentence redacted in accordance with the Freedom of Information Act 2000 s. Section 43(2) prejudicial to the commercial interests of the organisation.* The presentation concluded with a run through of the various milestones the team hoped to reach in 2023.

Trustees asked how we will know if we are on track with fundraising and how ready we are to moderate our ambitions. The Director said that so far we have £1m from the RMG Foundation. We do not intend to form a Development Committee just yet and we are keen to isolate the fundraising ask from the remit of the First Light project Trustee Committee. Trustees asked if we might consider approaching (*name redacted*) and were told that we would certainly consider this (with due diligence). Some concern was expressed that Trustees had only been given a preliminary presentation by the architect to date. The Director stated that the management team would take the Board through the plans at the meeting on 23 February.

Before concluding this item, Trustees asked about the image used on the presentation; whilst striking it is clearly a mock-up. The RMG team suggested

that it was almost certainly one of the Astronomy Photography of the Year winning images, but undertook to check.

There were no further questions and the Chairman thanked the Head of Development for her presentation and for the work of the team.

Post meeting note: Image from APY competition: **Interstellar Travel** by **Fu Dingyan** (China)

'If you want the feeling of traveling in space, just go outside far away from city. Here is the view from Réunion Island in the Indian Ocean. Dressed in a spacesuit, standing under the southern Milky Way and the Large and Small Magellanic Clouds, it feels like I'm an interstellar traveller.' **Fu Dingyan**

'A true testament to the notion that, as astrophotographers, you should never be afraid to experiment, to have a bit of fun and, sometimes, to make the audience chuckle.' **Ed Robinson**

13. Ocean Court roof project update

The Executive Business and Operations Director provided Trustees with a brief update on progress since the last Board meeting. Willmott Dixon have completed the first stage review and consider that the roof framework is structurally sound to accept replacement glazing of similar weight. We are currently reviewing opportunities for photovoltaic glass. At this stage, the project is expected to be within the indicative budget (DCMS allocation £10.2m) and within DCMS timeline of March 2025. The HM Treasury 'Green Book' business case – first stage - was well received by DCMS & approved, with conditions. The Chairman stated that he had received very positive feedback from DCMS regarding the presentation by the RMG team.

Directors were asked what impact the work would have on the public offer and were informed that the central part of the National Maritime Museum would be closed for the duration of the work. Trustees were concerned that this closure should not overlap with the closure of the ROG and the Director confirmed that we were planning to avoid the closure of both sites at the same time. Trustees asked if we were planning to include the 'Ocean offer' work in the project plan and were told that we were working to ensure that the infrastructure would support future enhancements.

There were no further questions and the Chairman thanked the Executive Business and Operations Director for his update which was duly **noted**.

14. Infanta Maria Ship Model Disposal

A comprehensive paper providing background to this item had been circulated to the Board. Approval to dispose of this model had been given by Trustees previously in 2008 and by DCMS in 2012. However, attempts to dispose of the model through the usual channels had proved fruitless and disposal was now being proposed to the Itsasmuseum in Bilbao, Spain. Directors were asked whether Brexit would have had any impact on the legal advice received. It is not thought so, but the Executive Creative Director undertook to check.

Subject to the response on the above the Board **approved** the proposed disposal of this item to the Itsasmuseum in Bilbao, Spain.

Post meeting note from the Collections Information and Standards Officer: The 2008 legal advice is framed by the 1934 NMM Act and UK Charity Law, the first of which is definitely not directly impacted by Brexit and second probably not in any consequential manner. What the advice says is that even back in 2008 there was no EU or worldwide harmonization over what a 'museum' is. So, Brexit does not make it any easier or harder to determine that a potential recipient shares our "concepts of charity and the retention of objects for public benefit" ...we still have to determine this to our own satisfaction before we can enact the transfer. [Brexit may mean there is more export paperwork and costs, but the recipient will have to pay for this]

15. Matters arising from the information in Volume B/AOB

Trustees reminded Directors of the discussion at the last Board around the risks arising from the contested histories debate and it was agreed that this should be reviewed at the next Audit Committee.

The Chairman and Board thanked Jeremy Penn for his eight years' dedicated service to the Museum as Trustee and the Board in turn thanked Admiral Sir Mark Stanhope for his service as Trustee and especially for the last two years as Chairman. Both Jeremy and Sir Mark were retiring as Trustees on 31 January.

16. Formal handover of the Chair of Trustees

Admiral Sir Mark Stanhope formally handed over the chairmanship of the RMG Board of Trustees to Mr Lance Batchelor.

The meeting concluded here. Trustees and meeting attendees attended a lunch in honour of the outgoing Chairman, Admiral Sir Mark Stanhope and Trustee, Jeremy Penn..