

THE TRUSTEES OF THE NATIONAL MARITIME MUSEUM

THREE HUNDRED AND EIGHTY-FOURTH MEETING
THURSDAY 22 FEBRUARY 2024
HELD IN THE BOARDROOM

MINUTES

Trustees present:

Lance Batchelor (Chair)
Dr Fiona Butcher
Dr Helen Czerski (Via MS Teams a.m. only)
Sir Stephen Deuchar
Professor Julian Dowdeswell
Murdoch MacLennan
Alastair Marsh
William Nye
Professor Andrew Thompson

In attendance:

Name	Role
Paddy Rodgers	CEO, Royal Museums Greenwich
Chris Walker	Executive Business & Operations Director
Jane Costantini	Head of Governance and Museum Records
Karen Eden-Tuxford	Head of Commerce & Visitor Experience
Lucy Cooke	Head of Development (for item 4)
Ann Carter	Director of Major Projects (for item 4)
Emma Snow	Design Manager First Light (for item 4)
Sarah Lockwood	Head of Public Engagement (for item 7, present for items 5-9)
John Avberhotra	Head of People & Culture (for item 8, present for items 5-9)
Tanya Hilborne	Head of Finance (for items 12 & 13)

~Governance Session~

1. Apologies and welcome

Apologies received from Professor Clare Anderson, Trustee and from Gail Symington, Executive Creative Director.

The Chairman welcomed Board Apprentice, Matthew Hastings, to his first RMG Board meeting. The Chairman confirmed that Matthew would be attending all Board meetings in 2024 and some Committee meetings and for all intents and purposes will be considered a full part of the Board whilst he is with us.

2. Declaration of relevant interests related to this meeting

No relevant interests were declared.

3. Draft Minutes of Board meeting 383 of 26 October 2023

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

4. 'First Light' Update

The Director of Major Projects informed the Board that the 'Briefing Note' sent along with the Board papers can be used by them to answer any questions they might receive in the coming months from interested parties regarding the project.

Trustees were reminded that at the last Board meeting they had approved the change in scope and since then the team had been working with the design team to define what is in and out of the project scope.

Trustees questioned why roof works were considered out of scope as this must surely be considered a necessity. The Chair of the First Light Committee explained that since there had been a commitment to the Board not to escalate the budget beyond £65m, the Board's permission must be sought on any additional expenditure. Trustees were informed that estimates for the roof works (for the South Building, for Flamsteed House and for the Altazimuth dome) were around £5m in total. The consensus amongst Trustees was that the roof work must be part of the project and if necessary we might have to cut back expenditure elsewhere. The Chair of the FL Committee stated that other elements of the budget are being carefully scrutinised. The Head of Development noted that we were asking the Foyle Foundation to assist with funding for the roof repairs and the Director added that we are lobbying DCMS on this also as part of our normal maintenance bids.

On the budget breakdown Trustees observed that we appeared to have contingency on top of contingency and asked if we were being over cautious in doing so. They were advised that DCMS/Treasury insist that we factor in 'an optimism bias' figure of 5%. The FL Committee Chair agreed that this was worth revisiting as we started budget projections at a time of very high inflation and the situation has improved somewhat since.

In terms of Project Funding the Director of Major Projects advised the Board that by mid/late June we will have spent the £5m allocated from reserves to advance the project. The Director stated that we had a visit by the Permanent Secretary earlier this month and they were very positive about the project.

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

We have requested a grant and a loan. The Chair of the FL Committee commented that any loan from DCMS must be on favourable terms for us to be able to consider it. Trustees agreed that without DCMS/Treasury support we will not be able to get the project off the ground.

The Head of Development updated the Board on the current status of our approaches to Trusts and Foundations. We have received a £3m commitment from Garfield Weston which will help to leverage others. We have c. £17m worth of applications in play (excluding the NLHF). The National Lottery submission (for £8m capital, £2m activity) is currently being finalised. We will find out in June if we have got through phase one of the application process. The delivery decision is due in May

2025. Once the NLHF bid is in, our attention will turn to developing major donors. It takes around two years to develop a relationship with a major donor, typically.

The Director advised that we planned to keep the north site open for longer than originally planned to minimise loss of income. If cashflow limits our ability to do everything at once we might have to take a more modular approach. This would not be ideal as it will cost more in the long run. Trustees asked whether we would have to go back to funders under this scenario and were told that this would be necessary but funders generally liked to put their funding against specific items so a modular approach should not jeopardise this.

The Director advised the Board that we may ask the RMG Foundation for a further £4m in addition to the £1m they have already committed against the project.

Trustees asked for an update on the conversations with Greenwich Park. They were advised that monthly meetings were in place; the relationship with the Park Manager is very cordial and they have given their support (but not yet their formal approval) for the project. A Greenwich Park Revealed Board meeting is imminent when we hope to get their approval. We have also had initial meetings with two members of the Friends of Greenwich Park which have been positive. We are no longer seeking to use the Astronomers Garden as a site compound so that has made discussions with the Park easier. They have identified an area close to the Pavilion café which we could use as a site compound and aside from that we want to widen our plot behind the new entrance by creating a walkway above the Astronomers Garden but which will not encroach upon it.

The Chairman brought the discussion to a close by thanking the RMG team and the FL Trustee Committee for their hard work over the last period.

5. Update on campaign for new Trustees and Board Apprenticeship scheme

The Chair of the Remuneration and Nominations Committee informed the Board that we currently have four roles to fill; the two for Astronomy and Finance are advancing well with the sift having taken place earlier this month and interviews scheduled for early April. The Chairman had taken part in the sift and reported that they had selected a number of high calibre candidates for interview. The diversity of candidates was also good. Role descriptions for Trustees with expertise in Digital Development and Community Engagement had been recently approved by the Remuneration & Nominations Committee and the Head of Governance confirmed that these would be sent to the Public Appointments team immediately after the Board meeting.

There were no questions arising and the Chairman thanked the Chair of the Remuneration and Nominations Committee for his update.

6. Director's Report

The Director reported that we are back on track with our visitor numbers and we were optimistic for the return of Chinese visitors this summer. Lunar New Year was extremely successful once again with a very strong East Asian presence which continued for several days following the LNY celebrations.

The Director suggested that as there was a full agenda for the Board meeting, he would keep his update brief and invited questions. A question was asked about the success of the new playground 'The Cove' and the Director informed Trustees that it was proving extremely popular, and had been particularly busy over the February half term week. Our caterers are reporting improved sales as a result of more traffic in the area. Regrettably there had been an accident in the last week potentially caused by some loose gravel which we shall be removing as soon as possible.

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

7. Windrush Museum Collaboration

The Head of Public Engagement informed Trustees that we have been representing Windrush stories since 2010. We have been collaborating with the Caribbean Social Forum for several years and hosted a number of related annual events such as the Caribbean Takeover Day, Windrush Day, the International Day for the Remembrance of the Slave Trade and its Abolition and Black History Month (now Black History 365).

The National Windrush Museum is very new and they are looking for a permanent home. They have a number of digital assets but are aware that they need to start building a collection as the Windrush generation are now very elderly. They are currently developing their collecting policy. We have a limited collection in this area; oral histories are of particular interest. We get a large number of enquiries from schools for programming in this area so we are hoping to trial a schools programme this autumn.

We signed a Memorandum of Understanding with NWM in the autumn which very loosely sets out our relationship with them and we are currently working up a Service Level Agreement regarding the use of an office for them on our site (although conscious that we will have very little spare space in the coming 18 months once Ocean Court works commence). Monthly meetings with NWM representatives are planned with visits to other museums to be scheduled.

Trustees agreed that this was a positive initiative but that it requires careful handling and we need to ensure that it does not involve stretching our own remit; we need to ensure we keep sight of the maritime link and do not stray too far beyond this. Trustees thanked the Director and the Head of Public Engagement for their work and careful handling of the relationship thus far.

8. Pay Proposal

The Director reminded Trustees that the Pay and Rewards review undertaken in 2023 was a significant piece of work. The Korn Ferry principles are good but not necessarily tailor made for us and there remains further work to do particularly around bands 4 and 5. When we recruit new people we have to pay market rates to attract the best candidates, so we cannot necessarily limit the pay to the bands. This presents tensions amongst current staff which we must be alive to.

The cost of implementing the new London Living Wage from April 2024 will be £545,350.

A 5% increase on the paybill for the remaining staff would equate to £692,149 but not all staff will receive a 5% uplift as we need to address specific and outstanding issues as outlined above. Overall this would represent between 7 and 8% of the wage bill.
This section redacted in accordance with the Freedom of Information Act 2000 S. 36 prejudicial to the effective conduct of public affairs.

The Head of P&C and the Directors will now be reviewing pay awards made to individuals over the last 3 years with a view to resolving remaining anomalies in the 2024 pay award. This proposal will be shared with the SLT in the next month and then with the Chair of the Remuneration Committee.

Trustees **approved** the proposal, pending the discussion later on the 2024-25 budget and overall affordability.

9. Visitor update

The Head of Commerce and Visitor Experience informed the Board that we had welcomed just under 500,000 visitors across our core sites, which was 34,000 above forecast. Admissions income for the charged sites was just over £1.3 million, down against forecast, with ROG affected by the works in the Park. Membership income was £120,000 for the quarter, slightly down on forecast but Retail generated sales of just under £750,000, up £133,000 against forecast. Our catering commission was £85,000. All sites were up against last year's numbers apart from Cutty Sark. This may be because of the ongoing conservation work on board the ship. The Ice Rink's performance this year was affected by milder than usual conditions which meant we had to close on several of our peak days. The team did very well in their response to disappointed customers. We are on track to achieve just under 2.4m visitors at the end of the financial year.

Trustees were keen to understand how we compare with our peers and the Head of Commerce and Visitor Experience suggested sharing the ALVA numbers (published in March) with the Trustees at the May meeting.

There were no further questions and the Chairman thanked the Head of Commerce and Visitor Experience for her presentation.

Lunch was served and Dr Czerski left the meeting at this point.

10. Finance Report

10.1 January Management Accounts and Forecast Update

The Executive Business & Operations Director started his presentation by reflecting on the visitor numbers and visitor profiles. He commented that whilst visitor numbers have recovered to pre Covid levels we shall be focussing on pricing and yield as we move forward, analysing our offer on concessions, day passes and promotions and opportunities to upsell and cross sell where we can. From Easter our prices will increase from £18 to £20 at Cutty Sark and ROG.

Turning to the 2023-24 forecast outturn, Trustees were informed that we are currently anticipating a surplus in the region of £0.4m, with potential to increase dependant on March trading. This is better than we had predicted at the last meeting and the surplus reflects higher than anticipated exhibition tax rebates. We are also due £1.9m in Business Rates rebates representing the outcome of long running negotiation with the Valuation Office on the basis of assessment. This favourable outturn will be matched by a grant to RMG Foundation.

10.2 2024-25 Budget

Turning to the 2024-25 budget, the £1m increase in Admissions income is due to the increase in price and improvements in yield. 2024-25 will be the final year of our three year Grant in Aid settlement and reflects a 2% cash uplift - with future levels to be determined by the outcome of the forthcoming Spending Review. The budget includes the 10% increase for LLW staff and an average of 5% for remaining staff. Overall, the outturn for 2024-25 is to breakeven with a modest contingency.

Trustees queried the forecast deficits for 25-26 and 26-27 to account for the drop in income predicted during the First Light works site closures. The Director advised the Board that we run a three-year budget for the purposes of a sense check but we shall be aiming to present a balanced budget for routine activity when the time comes. The Executive Business & Operations Director added that we shall keep a close eye on pricing and yields and pointed out that an extra £1 on ticket prices represents £500-£600k in income.

Trustees asked about the increase in costs for exhibitions in 2024-25 and were told this was due to the fact we will have a show in the SEG in 2025 (Pirates) which we have not had recently. The Executive Business & Operations Director agreed with Trustees' proposal to provide in future some context around the assumptions made when budgeting (for example around the closures for Ocean Court and for ROG).

There were no further questions and Trustees **approved** the 2024-25 budget.

10.3 Resolution to transfer funds to the RMG Foundation

Trustees **approved** Management's recommendation as set out at under clauses 1 and 2 of the paper presented to the Board to apply any surplus on unrestricted revenue reserves for the year ended 31 March to the making of a grant to RMG Foundation.

11. **Ocean Court update**

The Executive Business & Operations Director confirmed that we had now received Planning Consent (conditional approval) and 80% of the works packages were now complete. The museum is due to close for one or two days from 11 March to put in place the temporary arrangements for visitors (hoarding and signage). The visitor offer will be impacted with the ground floor galleries around Ocean Court having to close. Trustees were reminded that as well as replacing the 500 glass roof panels we are planning to overhaul cooling systems, improve acoustics and replace the previous lighting rig which was provided on an unsatisfactory basis by a third party. We shall also be replacing the Great Map and are engaging with visitors prior to closure to assess what they would like to see when it is replaced.

The budget for the project is now estimated to be £13.57m with £10.2m from DCMS, we are planning to bridge the funding gap by using the anticipated surplus from 2023-24, a contribution from the 25/26 core capital budget and DCMS capital contingency bid if successful.

Next the Head of Commerce and Visitor Experience (Chair of the Senior Leadership Team meetings), informed Trustees that the various working groups were finalising plans for the closure period. Some small item decants have begun and the propellor has now been removed. We have been experimenting with wall colours for the internal walls around Neptune Court. We have sent out notice to key stakeholder groups and there is messaging on the NMM page of the website.

Trustees were keen to hear what comes next after re-opening. The Director advised that the large object moves have been postponed until after the roof works are complete to give the curatorial and design teams time to work up ideas for new displays. During the closure period the public will get the APY exhibition for free so that will be a good opportunity to give it a wider audience than it currently gets.

There were no further questions and the Chairman thanked the management team for their update which was **noted**.

12. Risks

12.1 The Head of Finance provided a brief overview of the Risk Register and informed Trustees that their feedback from the recent 'questionnaire' had been accounted for in the Register. Trustees were invited to comment.

The Board agreed that retaining good staff was essential and there were risks around the high demands we are likely to put certain members of staff under during these major projects which may impact morale and increase the risk of losing good people to other organisations. The Director acknowledged this is a risk and said it was something that would be considered carefully during the pay review process.

A question was asked about the development of the curatorial team. The Director said that we had several very high calibre people in the Curatorial team and others with potential. Staff in the Curatorial team did benefit from increases in salary as part of the Pay and Rewards review last year. We do not currently have an issue with high turnover in this area. We will be making available small exhibition spaces and challenging the team for ideas to put on displays. It was agreed that this was a big topic for further discussion and should be brought back at a future meeting or when the Board meet next informally.

Trustees agreed that it would be beneficial to review the mitigating actions in more detail, perhaps by bringing one or two risk areas back for discussion at each Board meeting. The Chairman agreed to consider this for future meetings.

13. Commercial Insurance

The Board were reminded that their approval had been sought in January to the Management Team's proposal to cease commercially insuring our buildings and the Cutty Sark ship together with associated Business Interruption covers (but continue with all other insurances) from the next renewal date on 1st April 2024. Research had

been done amongst our peers and we were found to be outliers in the sector in previously insuring our buildings and collection items. DCMS had provided conditional approval for the change and our key funders the NHLF (for Neptune Court and for Cutty Sark) confirmed that they were content for us to self-insure. Trustees had confirmed that they were happy to support the proposal when asked via email and formally **re-confirmed that approval** at this meeting so that the decision could be recorded in the minutes.

At this point, Murdoch MacLennan, Alastair Marsh and Andrew Thompson left the meeting.

14. Potential disposals for approval

A paper from the Collections Information & Standards Officer (NMM24/89) detailing a number of potential disposals had been circulated for review by Trustees prior to the meeting. These included a number of items from the Cutty Sark Trust Collection and a number of items from the Victor E.A. Brooks collection which are deemed to be of no maritime association or significance and which fall outside the Collections Development Policy. Trustees duly **approved** these disposals.

15. Sponsorship and Acceptance Policy

Trustees were asked to approve the Sponsorship and Acceptance Policy which had last been reviewed by the Board in February 2022. Only minor and non-substantive changes had been made to the Policy since it was last approved. Trustees confirmed their **approval** of the updated Policy.

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

There were no questions arising from Volume B.

The Chairman asked for the 'in camera' session and discussion of the Board Evaluation Review to be postponed until the start of the next meeting as several Trustees had had to leave the meeting before the end. Trustees were asked to please advise the Chairman or Head of Governance in advance of the meeting if they are not able to stay until the end so that the agenda and schedule can be revisited if necessary.

Trustees were asked to note that after the Board meeting on 21 November we are planning a dinner for Trustees in the Queen's House. Times will be confirmed nearer the date but at this stage Trustees are asked to keep the whole day and evening free if possible.

The Chairman suggested that following recent discussions with Trustees there was a consensus to meet informally outside of Board meetings. It was therefore suggested that in addition to the dinner in November, a dinner will be arranged in London ideally before the next Board meeting in May for those able to attend.

Trustees requested that the presentation slides are sent to Trustees in advance of the meetings in future.

The Management Team were asked to halt any future collaboration with the Mermaids Charity whilst they are under investigation.