

THE TRUSTEES OF THE NATIONAL MARITIME MUSEUM

THREE HUNDRED AND EIGHTY-FIFTH MEETING

THURSDAY 2 MAY 2024

HELD IN THE BOARDROOM

MINUTES

Trustees present:

Lance Batchelor (Chair)
Clare Anderson
Dr Fiona Butcher
Dr Helen Czerski
Sir Stephen Deuchar
Professor Julian Dowdeswell
Matthew Hastings (Board Apprentice)
Murdoch MacLennan
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 (for item 6)
Lucy Cooke	Head of Development (for item 7)
Ann Carter	Director of Major Projects (for item 7)
Emma Snow	Design Manager First Light (for item 7)
Jamie Fobert	Jamie Fobert Architects (for item 7.1)
Liz Smith	Purcell (for item 7.1)
Jason Waddy	Gardiner & Theobald (for item 7)
Lizzie Hewitt Brown	Gardiner & Theobald (for item 7)

~Governance Session~

1. Apologies and welcome

Apologies received from Alastair Marsh, Trustee, Gail Symington, Executive Creative Director, John Avberhota, Head of People and Culture.

2. Declaration of relevant interests related to this meeting

No relevant interests were declared.

3. In camera session for Trustees and Director

The notes for this part of the meeting will be circulated to the Trustees and Director only.

4. Draft Minutes of Board meeting 384 of 22 February 2024

It was noted that Matthew Hastings had been omitted from the list of attendees. Other than this, the Board **agreed** the minutes to be a true record of the meeting. The minutes were amended and certified by the Chair accordingly.

5. Update on campaign for new Trustees

The Chair of the Remuneration and Nominations Committee and the Chairman informed Trustees that the recent interviews for the Astronomy and Finance/Audit Committee Chair had gone well, with three candidates recommended for appointment (two for Astronomy and one for Finance).

6. Visitor Update

The Head of Commerce and Visitor Experience informed the Board that we had welcomed just under 470,000 visitors across our core sites in the final quarter of the year, up 22,000 against Forecast 3. We welcomed over 70,000 visitors over February half term and 12,000 visitors for Lunar New Year. Q4 Admissions income for the charged sites was just under £1.3 million, down £98,500 against forecast 3. Membership income was £134,000 for the quarter, up £8,000 against forecast 3 and Membership numbers are back to pre-Covid levels. Retail generated sales of just over £540,000, down £9,500 against Forecast 3. *The following sentence has been redacted in accordance with the Freedom of Information Act 2000 s. 43 (") prejudicial to the commercial interests of a third party.*

Overall, we welcomed over 2.4 million visitors in 2023-24, up against forecast 3 and 2019-20. In fact, all of our sites overtook 2019-20 figures, which we have been using as a benchmark since Covid, although the impact of the pandemic was already beginning to be felt during the last quarter of 2020. Admissions income for the ROG and the CS was over £7.2 million for the year; Membership ended the year with income over £565,000; Retail income was over £3.2 million (record high for the Meridian shop and the online shop); our commission from our catering partner exceeded £390,000.

The Chairman congratulated the Management Team for the very strong visitor numbers. The Director informed the Board that unfortunately the new Financial Year had not started as strongly as we had hoped and in fact we are 30% down on our forecast. According to ALVA (Association of Leading Visitor Attractions) this appears to be the case across the sector. It is not entirely clear what the cause of this is, but the timing of the Easter holidays and the inclement weather are almost certainly factors. On a more positive note, news from the Travel Trade is that hotel and flight bookings to London are strong and the indications are that Chinese visitors are returning.

Trustees were keen to understand the crossover of visitors to our various site and were told that a proportion of visitors undoubtedly visited more than one of our venues in a day. We have a dual Cutty Sark/ROG ticket, so we can gauge from that how many visitors go to both sites. The visitor coming to the NMM is however likely to be from a different demographic; a more local, repeat visitor. The Director added

that we shall be looking carefully at visitor behaviour in the coming months as the closure of the Stanhope (Romney Road) entrance for the Neptune/Ocean Court works will inevitably impact on visitor patterns. Astronomy Photography of the Year is currently free and is proving very popular. Trustees suggested that we might be able to ask Masters students from Greenwich University to do some work for us in assessing visitor behaviour.

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

7. 'First Light' Update

The representatives from the Design team and Gardiner & Theobald were welcomed to the meeting by the Chairman.

7.1 Jamie Fobert and Liz Smith took the Board through a presentation of the plans for the site, explaining that the inspiration for the design and the materials used reflect the shape of navigational instruments and complement the colours of the existing architecture. The fact that there have been many changes on the site over the years (including a post-war rebuild), to support its function as a working observatory, works in our favour in terms of Historic England's position regarding future changes.

The current work in the Park, as part of the Greenwich Park Revealed project, should benefit us as it will provide a larger space around the General Wolfe statue, although it was noted with regret that the Park was constructing a 3.5m high furniture store not far from our proposed entrance. The Park appears to be receptive to the idea of the Garden Walk, which is a key element of the design as it will unify north and south sites. The area leading to the Planetarium (previously known as the 'Hub') will be called the 'Astronomers' Court' and will be used as a space for public engagement.

The Chairman thanked the architects for their presentation which was **noted** and they left the meeting at this point.

7.2 Update from FL Trustee Committee

The Chair of the First Light Committee, Professor Thompson, asked for confirmation that the final cost of the project is £65m. The Director stated that the £65m does not include the repair work to the roofs, Altazimuth pavilion, upgrades to the planetarium which were likely to be another £5m. Professor Thompson stated that it would be very difficult to see our way to £65-£70m without a £35m commitment (grant and loan) from Government. The forthcoming event at Downing Street on 16th May would be a very important opportunity to bring the project to the attention of Ministers and we are hoping that the Chancellor of the Exchequer will be present. The Chairman added that a recent conversation with the DCMS Permanent Secretary had been very encouraging.

Professor Thompson recognised the huge effort the Development Team was putting in which is key as Government want to see what we are doing to help ourselves. We now seem to be having constructive conversations with the right people in DCMS and Treasury. Trustees were informed that DCMS has provided positive feedback on the Outline Business Case which will be considered by the Finance Committee on 9th May.

7.3 Update from FL Project Team

The Director of Major Projects reminded Trustees that the £5m which the Board had assigned to the planning stages was forecast to be spent by the end of June/early July. The Director noted that the RMG Foundation is on standby to commit another £5m and we shall update the Board again on the financial situation at the July meeting.

7.4 Viability of debt service from admissions to repay a loan

The Director took the Board through his slides on the affordability of a loan of £20m on an assumed interest rate of 5.2% on a 25-year term. The model assumes that in 2029-30 the visitor numbers to the ROG will be 750,000 (in 2023-24 they were 692,000) and that ticket prices will increase from £18 in 2023-24 to £25 in 2029-30. The projected income would be £10.7m plus £2.5m on secondary spend. Our running costs are likely to increase to £5.9m per annum against our current spend of £4.6m leaving us with a net operating outturn of £7.3m. The annual cost of the loan repayment will be £1.7m leaving us with £5.6m to replenish our reserves, reinvest in exhibitions and go towards RMG operational costs. The Director pointed out that the illustrative visitor numbers used and the increase in ticket price used in the model were on the conservative side.

Trustees thanked the Director for his comprehensive explanation of the likely financial modelling. It was noted that prior to consenting to taking a loan Trustees would have to carefully consider the implications of committing the Museum to the loan repayment over the long term. At that moment the Board would have to consider the choice of taking the loan or curtailing our ambition. The Director stated that by the July Board meeting we should have a much clearer picture about other sources of funding and fundraising would continue at pace to reduce the level of the loan required.

There were no further questions or points raised and Trustees thanked the First Light Team and the First Light Trustee Committee for their hard work over the last period and for the various reports which were **noted**.

8. Director's Report

Before inviting questions from the Board, the Director drew Trustees' attention to an error on his written report: visitor numbers to the Lunar New Year events were 12,000 and not 23,000 as stated. The Polar medal of Ernest Shackleton mentioned in the report would be nice to have but if we do not get the funding from outside to acquire it we shall not be pursuing it further.

Trustees were keen to know that with so much focus on ROG and the First Light project that other areas of the Museum's work were not being overlooked. The Director told Trustees that we had missed the presence of the Executive Creative Director for her creative input but she is now commencing a gradual return to work and is helping to galvanise the thinking about the creative response to Ocean Court when it re-opens in 2025. We aim to update the Board on this at the July meeting. The Executive Business and Operations Director reported that we are currently looking at ways of attracting more visitors to the Cutty Sark as numbers had plateaued a little lately. Trustees were informed that the Development Team had

doubled in size over the last year and half of the team are working on non-First Light fundraising.

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

9. RMG Plan 2024-2028

The Director reminded the Board that when he arrived in 2019 the corporate plan was departmentally led rather than cross-museum and we have attempted to redress this siloed approach with a more holistic approach in the RMG Plan.

The following section has been redacted in accordance with the Freedom of Information Act 2000 s.36 prejudicial to the effective conduct of public affairs.

A question was asked around the suggestion in the draft RMG Plan that the Brass Foundry in Woolwich might become a possible sixth site. The Director told Trustees that we had in the past been offered money from a developer for the Brass Foundry but it was felt to be inadequate. However, he concurred with the view that at this stage it was not practicable to seriously contemplate doing anything with the building in the short term when we have so many other priorities and it will be removed from the current Plan.

There were no further questions and the RMG Plan 2024-2028 was **noted**.

10. 2024 Pay Proposal

The Director reminded Trustees that the Pay and Rewards review undertaken in 2023 was a significant piece of work and had been generally well received by staff. However, there were pockets of staff who felt that their skills and experience were not being considered and some anomalies where managers were in the same band as those they managed. We have attempted to address this by introducing a new band 4 and moving the CEO to band 0. The Director explained the level of responsibilities expected across the bands. The introduction of the new band 4 is expected to cost £250,000 (backdated to 1 April 2024). The intention is to pay this as soon as possible. Increases to remaining non London Living Wage staff will have to be delayed until after the summer when we reassess affordability as April visitor numbers had been so disappointing.

Trustees asked about the likely reaction of staff to this news and the Director said that we have always tried to be honest with staff so we hope that they understand the correlation between visitor performance, admissions and other income and the affordability of pay increases.

The next step was for the Director and Head of People and Culture to complete the 'Pay and Benefits Guidance' which will be shared with staff once ready. The Chair of

the Remuneration and Nominations Committee will be kept informed and the Board will receive another update at the next meeting.

Trustees noted and **approved** the proposal and next steps.

11. Finance Report

11.1 End of Year Management Accounts

The Executive Business & Operations Director started his presentation with a slide of the draft outturn for the year and stated that a grant payment of £2.167m would be made to the RMG Foundation (this surplus mainly coming from the £1.9m rates rebate). Trustees noted that £150k was designated to the Cutty Sark Fund and were informed that there was currently c. £1m in this fund. The Board heard that we had received just over £5m in admissions income at the ROG in 2023-24, exceeding expectations but that we were unlikely to exceed forecast in the coming year.

There were no further questions and Trustees **noted** the end of year Management Accounts.

12. Ocean Court update

The Executive Business & Operations Director confirmed that the DCMS final Business Case had been approved and we had received Planning Consent from the Royal Borough of Greenwich. The schedule is very tight due to the constraints of the funding from DCMS but we are receiving good support from Gardiner and Theobald. Roofing work is underway. The more opportunistic elements of the project such as M&E, acoustic and lighting improvements will add pressure to the budget, but fortunately we have received an additional £400k from DCMS for the chillers and we are seeking £2m from the RMG Foundation.

Trustees were told that there would be more information about the plans for re-opening at the next meeting.

There were no questions from the Board and Trustees thanked the Executive Business & Operations Director for his presentation which was **noted**.

13. Risk: Institutional Relevance

Trustees suggested that thinking about how the museum connects to people would be useful; emphasising the fact that we should be a 'broad church' at a time when there is a great deal of 'sea blindness' compared to when the Museum was founded almost a century ago when the Royal Navy was a powerful force. Trustees agreed that this was a challenging area and discussions should be framed carefully to avoid tribalism. It was suggested that it would be valuable to continue the discussion informally outside of the meeting.

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

There were no questions arising from Volume B.

Trustees were advised of an ongoing complaint by a member of the public.

Trustees requested that an 'in camera' session should be included in the agenda for Trustees only at the end of each meeting.

Trustees' attention was drawn to the meeting diary showing dates for 2025.

Minutes certified by Lance Batchelor, Chairman 18 July 2024