

BOARD OF TRUSTEES

MONDAY 21 March 2016

Cultra Manor

Trustees Present:

Mr Miceal McCoy - Chairman
Dr Rosemary Kelly - Vice-Chairman
Professor Michael Catto
Professor Garth Earls
Professor Karen Fleming
Mrs Hazel Francey
Mrs Daphne Harshaw
Mr Alan McFarland
Dr George McIlroy
Mrs Catherine Molloy
Mrs Annette Moor
Mr Joseph Rice - (Items 1 - 5)
Dr Margaret Ward – (Items 9-11)

In Attendance:

Mr Fergus Devitt – (Director of Sports, Museums & Recreation Division, DCAL) – (Items 5.3 - 6)

Ms Kathryn Thomson - (Chief Executive)
Mrs Gillian McLean - (Director of Marketing, Communications & Trading)
Mr Paddy Gilmore – (Director of Learning & Partnership)
Ms Sinead McCartan - (Acting Director of Collections & Interpretation)
Mr Paul Sheridan - (Acting Director of Finance)
Ms Pamela Baird – (Head of Strategic Research & Planning)
Ms Eileen Boyle - (Business Support Assistant)
Mrs Anne-Marie McCafferty - (Committee Secretary)

CLOSED SESSION OF BOARD

The Board met in closed session at 10 a.m. and concluded its business at 10.30 a.m.

1. APOLOGIES

An apology was received from Dr Leon Litvack.

2. CONFLICTS OF INTEREST

The Chairman asked members to report any conflicts of interest in relation to the business to be discussed.

The Acting Director of Finance advised that he would absent himself in the event of any discussion arising in relation to the internal audit tender.

Mr Joseph Rice stated that he would absent himself from Item 6.

The Chief Executive declared, for the record, that she was a Director on the Strategic Investment Board.

Mr Alan McFarland stated that he had been approached by the Scotch-Irish Trust to serve as a member on its Board. Trustees did not feel that this would present a conflict of interest.

3. APPROVAL OF MINUTES OF 5 February 2016

Trustees approved the minutes of the above meeting of the Board subject to minor amendments.

Proposed by: Mrs Hazel Francey

Seconded by: Professor Karen Fleming

4. MATTERS ARISING

There were no matters raised.

5. BUSINESS OF CHAIRMAN

5.1 Patrons' Fundraising Events

Mr Gilmore, Director of Learning & Partnership, informed Trustees that the Ulster Museum Patrons' Brochure had been sent to twelve stakeholders. Feedback was currently being received in relation to same. Ms Morag Stewart had been given responsibility for the Patrons' Programme as part of her Appeals Officer role.

Mr Gilmore noted that he had updated Trustees at the February meeting of the Board on the organisation's successful application to the Big Lottery Fund. He could now clarify that grant funding to the sum of £444,572 had been awarded for the two year project, (Healthier Older People through Museums). In addition, the Big Lottery decision panel had allocated a further £155,428 to enable the project to extend into a third year. He explained that, as this had been a joint application between National Museums Northern Ireland and Tyne & Wear Archives Museum, the monies would be split between both organisations. The project would look at how cultural engagements had a positive impact on the health and wellbeing of older people. It would be a pilot project, run over a three year period and evaluated by a university. Recruitment in respect of the project would commence in the near future with the project being initiated when the successful candidates were in post. At that point, the money would be drawn down from the Big Lottery Fund for the duration of the project.

The additional allocation would also go towards further research, analysis and dissemination of the final report. As part of that dissemination, Mr Gilmore noted that the 2018 Museums' Association Conference would be held in Belfast, giving National Museums' the opportunity to highlight its Health and Wellbeing programme.

5.2 Draft Business Planning Diary 2016/17

Trustees reviewed the draft Business Planning Diary 2016/17. It was agreed that further consideration be given to the timing of the General Purposes & Finance Committee meeting, currently scheduled to take place in August.

The Chief Executive advised that dates were proposed with the aim of ensuring that the Board was presented with the most up to date information to the end of each quarter. It was proposed that a core of four Board meetings a year, with two additional ad hoc Board meetings to be scheduled as required, to allow the Board the opportunity to progress specific topics in-year.

5.3 Stakeholder Engagement

The Chairman reported that a further engagement had taken place with stakeholders through the launch event for the BP Portrait Award event.

Mrs McLean, Director of Marketing, Communications & Trading informed Trustees that the Chief Executive and she had met with Mr John McGrillen, Chief Executive, Tourism NI and Ms Laura McCorry, Director of Product Development, Tourism NI to discuss aspirations for the future of the Ulster Folk & Transport Museum and alignment of bids in relation to the Programme for Government.

In terms of stakeholders, Trustees reflected on the importance of wider involvement with community and voluntary sectors.

The Director of Learning & Partnership advised Trustees that a Seminar on Urban Villages was scheduled to take place on Wednesday 27 April 2016 in Cultra Manor. This would bring together staff and partnerships who had been involved in the Urban Villages' initiatives.

He also noted that the organisation had created a community database containing details of all the community based organisations National Museums had been working with over the last three years. Currently, the names of 560 organisations were contained within the database.

The Chairman welcomed this initiative and spoke of the importance of the organisation continuing to align itself with Ministerial priorities.

At this point, the Chairman welcomed Mr Fergus Devitt, Director of Sports, Museums & Recreation Division, DCAL, to the meeting.

The Director of Marketing, Communications & Trading drew Trustees' attention to the opening of the exhibition, 'Remembering 1916: Your Stories', in the Ulster Museum on Thursday 24 March. The Head of Human History, Mr William Blair, had been working with community groups who had loaned materials for the exhibition. A special preview of the exhibition had been arranged for these groups on the afternoon of 24 March.

Trustees referred to, and commended, the success of the 'Out and About' Programme which had taken place over the past year.

The Acting Director of Collections & Interpretation advised Trustees that the 2016/17 'Out and About' Programme was currently being developed and would be expanded to include other bodies within the DCAL family. Trustees would be updated in due course.

5.4 Discussion on Closed Meetings

The Chairman of ARAC reviewed the process to date, in discussion with Trustees.

Trustees agreed that the document provided a basis for further discussion and would be taken forward to the G P & F meeting in May. The Chief Executive was in agreement with this approach.

6. Address to Board by Mr Fergus Devitt, Director of Sports, Museums & Recreation Division, DCAL

The Chairman invited Mr Devitt to address the Board.

Mr Devitt passed on an apology from the Permanent Secretary, Mr Denis McMahon.

Mr Devitt commended the success of the 'Out and About' programme. He congratulated everyone involved in that initiative and welcomed Ms McCartan's confirmation that the 'Out and About' programme for 2016/17 was currently being developed and would be expanded to include other bodies within the DCAL family.

He referred to the reorganisation of government departments scheduled to take place following the May elections and the fact that the vast majority of DCAL functions would transfer into the Department of the Communities. He said that this would enable greater opportunities to link in with the work already being undertaken across government departments. It should provide even more access into those areas that are marginalised and difficult to reach.

PAC Report into Northern Ireland Events Company

Mr Devitt stated that he had specifically come along to address the Board in relation to the outcome of the PAC hearing into the Northern Ireland Events Company. The Department was addressing the Boards of all its ALBs with a consistent message in relation to this matter. He recommended that any Trustees, who had not read the full PAC report, should do so.

Mr Devitt referred to the key lessons emerging from the situation that had arisen within the Northern Ireland Events Company:-

- The Board of Trustees is legally responsible for the running of the organisation and has specific responsibilities because of that.
- The Board has to both challenge and support the Executive Team in equal measure. It must endeavour to achieve the right balance, which can be difficult, but it is essential that that happens.
- It is incumbent on the Board to question if it is being provided with the right information from the Executive Team.
- The Board should ensure that it is getting papers in such a fashion that allows it to make informed decisions.
- The Board should ensure that it receives information at the right level, for example, is information that it would like to see there or does it feel that in fact that there is too much information and the detail around what it requires is somewhere in papers or is buried or hidden for a particular reason?

The Board needs to ask itself:-

- Are the requests that you are making of the Executive Team reasonable?
- Are you actually asking them to do things that the Executive Team is required to do and are productive or are you taking the Executive Team down particular lines of inquiry that maybe aren't productive?
- Do you as a Board, or any ALB Board, have the right skills?
- Do you feel that you are deficient in any areas?
- Do you carry out a self-check assessment as to how you go about your work?

- Do you feel from the papers that come to you that you are missing some specific skills either on a particular issue or generic issues that come before the Board?
- Do you feel that the Board needs to be strengthened in any particular areas?
- Do you as a Board feel that you are performing effectively both as individuals and collectively?
- How do you work together and how can you get that sense checked from an outside perspective, which should be done on a very regular basis.

He stated that:-

- The Executive Team needs to feel that it is both challenged and supported.
- That the requests that are being made are meaningful but also that the Executive Team, in this forum, or any Board forum, is actually asked robust questions to test the thinking, to test the understanding. The key aspect is balance between the support and the challenge offered between a Board and an Executive Team.

Mr Devitt concluded by saying that the above were the generic messages to all of the Department's ALBs emanating from the situation that arose within the Northern Ireland Events Company.

In response to questions from Trustees in relation to the Department's role in this matter, Mr Devitt outlined lessons that had also been learnt by DCAL:-

- Approach to risk had been based primarily on a value approach i.e. level of grant-in-aid. Grant-aid had been approximately £2m.
- There had been too much trust in one individual. The Chief Executive hadn't been challenged enough either by her Board or by the Department.
- The Department did not hold regular accountability meetings. There had been too big a gap between meetings that did take place.
- Too much cognisance had been taken of verbal reports rather than papers and evidence.

Mr Devitt outlined how the Department had now changed its approach to risk within its ALBs.

The Chairman thanked Mr Devitt for coming along to address the Board.

CHIEF EXECUTIVE'S REPORT:

The Chief Executive, in her third week in post, addressed the Board and said how delighted she was to have been appointed and to have the opportunity to work with National Museums Northern Ireland. She spoke of the huge amount of goodwill there was externally towards the organisation and the potential that that provided to further develop and explore relationships and partnerships going forward.

The Chief Executive outlined a number of key priorities she would like to progress over the next few months in conjunction with the Board and the Executive Team. In order to ensure that the Board was kept fully abreast of any decisions taken at Executive level, she would like, as part of the Board agenda, to present a Chief Executive's Report, alongside Chairman's Business. She noted that she did not have a formal report on this occasion but would like to bring the following matters to the Board's attention:

Donations and Gift Aid Reserve Fund

It was projected that £100k would be transferred to the Reserve Fund by year end, representing donations received and gift-in-aid. The Reserve Fund was under the auspices of the Board of Trustees. There was a need to establish a process for expending these reserves. The intention was

to bring forward a process for bidding, and associated criteria, to the June meeting of the Board for its consideration.

Trustees agreed with this approach.

Pricing 2016/17

The Executive Team had been reviewing the organisation's pricing policy. The Chief Executive advised Trustees on the rationale and considerations behind the following pricing decisions:-

1. Retain existing general admission prices for 2016/17.
2. Increase Tour Operator price/person from £6.50 to £6.75 from 1 April 2016, generating an additional £3,125 income per annum, based on existing tour operator visitor numbers.
3. Undertake quantitative pricing research in 2016/17.

Trustees noted the above decisions.

Review of Opening Hours

A review of pricing and opening hours would be undertaken in 2016/17. This would include a review of Monday and seasonal opening and may lead to a departure from unified opening hours across the sites.

Board approval was sought for Monday opening on 31 October this year for Halloween. This had proven to be most successful over the last number of years.

Trustees welcomed the above review and gave their approval for Halloween opening on 31 October this year.

Events & Exhibitions:

The Chief Executive noted the success of the following exhibitions/events, the detail of which would be reported under Item 8.1.2 – Visitor Performance Report:

- Rembrandt exhibition
- BP Portrait Award
- St Patrick's Day events

Visitor numbers were currently 17% ahead of target and 2% ahead of last year with a prediction of just under 780,000 to year end.

Trustees noted the successful launch of the BP Portrait Award and commended everyone involved in the delivery of such a superb exhibition.

The Chief Executive noted the following:

- Remembering 1916: Your Stories – preview 24th March.
- 40th Anniversary UAFP: 4th July celebrations – three day programme 2, 3 and 4th July.
- Birthday celebrations – 6th July.

- The Bluegrass Festival, (25th anniversary), had secured additional money from Tourism NI and from Fermanagh & Omagh District Council.

Internal and External engagements:

The Chief Executive advised Trustees of both internal and external engagements over the last three weeks as part of her induction process.

Board Planning Days:

Trustees would be aware that a Risk Workshop had been scheduled for 8 April.

The Chief Executive proposed a second workshop in June to allow for discussion on future strategy. The date for this workshop would be confirmed when Trustees' availability had been ascertained.

Trustees' Tablets – Maximising Resources:

A paperless solution for Board meetings was currently being explored which would include hardware as well as software. The Acting Director of Finance was in the process of finalising a business case with the aim of securing a technological solution that would operate as efficiently and effectively as possible for Trustees, along with saving on administrative resources.

Museums' Association Membership:

The Executive would like to propose that membership of the Museums Association would be acquired for each Trustee. This would assist in the development of sector knowledge and information on museum based issues. Provision of the Museums Journal was included in the membership fee.

Trustees welcomed and approved this initiative.

Pen portraits

Pen Portraits had been developed in respect of each Trustee. The intention would be to have these posted on the website. Debate followed in respect of this proposal.

It was agreed that the pen portraits should be circulated to Trustees but that further discussion was necessary in terms of the website.

The Chairman thanked the Chief Executive for the above report. He welcomed the inclusion of this report as a standard agenda item.

7. LOANS FOR APPROVAL BY BOARD OF TRUSTEES

Trustees approved the Schedule of Loans dated 21 March 2016.

The Acting Director of Collections & Interpretation confirmed that the Derek Hill exhibition would be progressed on receipt of a completed Facilities' Report which is a requirement for exhibitions going to any new venues. She also informed Trustees that it had been decided to package The Work of Kenneth Shoesmith as a touring exhibition.

8. BUSINESS OF EXECUTIVE

8.1 Business Performance 2015/16

8.1.1 KPI Report

The Chief Executive reviewed the KPI Report to the end of February 2016, in discussion with Trustees. The Executive was forecasting to either meet or exceed all KPIs to the end of the current financial year. The Chief Executive commended the Executive Team on this achievement.

Trustees would note that the SDP target had, to date, been flagged up red. This was to allow for the potential of in-year cuts, however, at this stage, it was possible to move it to green, given the proximity to year end.

Trustees welcomed the above position particularly given the absence, in-year, of a VE Scheme.

8.1.2 Visitor Performance Report

The Director of Marketing, Communications & Trading reviewed the above report in discussion with Trustees. Referring to visitor numbers, she noted that the organisation was 17% ahead of target and 2% ahead of last year - currently forecasting just under 780,000 visitors to year end. This was a very strong performance, particularly at the Ulster Museum with Deadly Dragons achieving over 20,000 visitors, Silent Testimony over 60,000 and Rembrandt over 30,000. The BP Portrait Award, which opened on 10 March, had made a positive start, with 4,000 visitors to date, 24% of the visitors to the Ulster Museum.

The Science Festival, under the auspices of the Collections & Interpretation and Learning & Partnership directorates, had generated 13,500 visitors.

In terms of learning, the issues around the UAFP residential centre, and the reduction in education sector budgets, had resulted in reduced learning visits across the organisation, however, current projections indicated 110,000 participants by year end.

Lack of advertising had particularly affected the Ulster American Folk Park visitor numbers which would be subject to separate consideration by the Executive Team.

Digital Performance: The KPI target, to the end of February, had been exceeded. Total digital reach to the end of February stood at 855,000 with a projection of approximately 900,000 at year end, 22% ahead of target.

Social media has been impacted by advertising issues but had a good performance in the circumstances.

8.2 Financial Performance – 2015/16

8.2.1 Management Accounts to 31 January 2016

The Acting Director of Finance reviewed the above document in detail, in discussion with Trustees. He made specific reference to the following:

- The organisation was projecting a balanced budget at year end.
- A number of easements had come through in-year in respect of income which had helped to alleviate a number of pressures across the organisation.

- Additional income would be achieved in-year through Easter and St Patrick's Day events.
- Fundraising: An additional £592,759 had been secured to date, the majority of which related to The Big Lottery Fund allocation.
- An extra £49,000 had been received from the Department for essential maintenance, which is revenue.

Trustees sought, and were given, clarification on a number of matters relating to Trading Income.

The Chairman asked that the Acting Director of Finance and the Director of Marketing, Communications & Trading prepare a brief paper on Trading Income for the June meeting of the Board.

Trustees also asked that:

- A report on stock calculation be provided for the June meeting of the Board.
- Given that the financial reports are meant to go through the General Purposes & Finance Committee prior to coming to the Board, that the conclusions and recommendations of that Committee be included in the narrative report to the Board.
- The Chairman asked that the above point be factored in when finalising the Business Planning Diary.

8.2.2 Capital Programme

Trustees noted the previously circulated Capital Programme report.

The Acting Director of Finance reviewed the report in discussion with Trustees. Trustees would note that as a result of June Monitoring, the Department had allocated an additional £882k to the capital budget. A donation of £15k from the Ulster Folklife Society had brought the total allocation in-year to £915k.

The report outlined the spend to date against each capital project and the current progress on same. All projects were on schedule to be completed by year end.

November monitoring bids totalling £5m had been unsuccessful; however, capital bids totalling £562,625 had been submitted in relation to the DCAL in-year easement process, resulting in an allocation of £389,500. CPD had given an assurance that associated projects could be completed by year end.

8.2.3 Savings Delivery Plans – Quarter 3

The Acting Director of Finance stated that, as outlined above, the organisation was on schedule to meet its SDP target of £1.742m at year end resulting in this KPI being moved from amber to green.

8.3 Voluntary Exit Scheme – update

Trustees noted the previously circulated detailed update in relation to the Voluntary Exit Scheme. The Chief Executive assured Trustees that the Executive Team was doing everything within its control to expedite the VES process. She noted the monthly cost implication to the organisation of a late start and the importance of this matter being progressed as soon as possible. CSP had stated that it was currently unable to commit to a launch date because of competing priorities and issues in terms of compatibility with regard to the pension data provided to it by National Museums.

Trustees expressed concern at the continued difficulties and the lack of a definitive date for implementation of the Scheme within National Museums. They stressed that resolution of this matter was an absolute priority given the revenue impact it was currently having on the organisation.

The Chairman stated that the Chief Executive had agreed to take a lead role in liaising with CSP in order to progress this matter.

The Chief Executive noted Trustees' concerns at the potential further loss of expertise across the organisation. She informed Trustees that she would be working with the Executive Team in order to agree some key criteria around the release of staff as a result of VES.

The Vice-Chairman asked that the issues around potential loss of expertise and skills be highlighted in the first iteration of a staffing plan, due to be presented to the General Purposes & Finance Committee in May, and thereafter to the full Board.

8.4 NMNI Response to Culture & Arts Strategy

The Chairman noted that the above response had been forwarded to DCAL on 25 February 2016. He extended his thanks both to Trustees and staff involved in the process and in particular to the Director of Marketing, Communications & Trading. Trustees would be updated on receipt of any further communications from the Department on this matter.

Trustees reviewed and approved the minutes of a Special Meeting of the Board of Trustees held on 17 February 2016 to consider the organisation's response to the above strategy document.

9. BOARD OF TRUSTEES' COMMITTEES

9.1 Audit & Risk Assurance Committee

9.1.1 Adoption of Minutes of Meeting held on 27 November 2015

Trustees adopted the minutes of the above meeting of ARAC.

9.1.2 Verbal Update of meeting held on 4 March 2016

The Chairman of ARAC briefly reviewed discussion which had taken place at the above meeting of the Committee, the minutes of which would be circulated in due course. Mrs Moor made specific reference to the following:

- **Physical Verification of Collections – update on objects not located:** Deferred to June meeting. Comments on this report to be forwarded to the Chief Executive.
- **Corporate Risk Register:** Risks 4 and 5 had been downgraded from red to amber. Members had agreed on the need for a fresh consideration of risks. The Chief Executive had suggested that Trustees and the Executive Team meet to reassess the key risks to the organisation going forward and a workshop is scheduled for 8th April.
- **Internal Audit Reports:** KPMG had presented the following Internal Audit Reports. -

Progress Report Against Plan for 2015/16: *Health & Safety Report:* Due to one outstanding issue that was being reviewed by Management, this report has been deferred to

June meeting. Mrs Moor had expressed concern at the delay in this report and asked the Chief Executive to satisfy herself that no risk would arise as a result of this deferral.

Review of Fixed Assets (excluding capital maintenance/maintenance estates):
'Satisfactory' rating. Financial Planning & Budgetary Control: 'Substantial' rating.

Financial Planning & Budgetary Control: 'Substantial' rating.

- **Internal Audit Strategy 2016-17:** Deferred to June meeting to allow the organisation to undertake risk workshop.
- **NIAO – 2015-16 Financial Audit Strategy:** Members had been advised by NIAO as to how the audit of the financial statements for the year ending 31 March 2016 would be conducted.

9.1.3 Revised Anti-Fraud Policy & Fraud Response Plan

Having sought clarification on a number of areas of the document, Trustees approved the revised Anti-Fraud Policy & Fraud Response Plan.

Proposed by: Dr Rosemary Kelly
Seconded by: Professor Michael Catto

The Chairman of ARAC noted several suggestions from Trustees for future debate in relation to this document.

9.1.4 Annual Board Assurance Statement

Trustees approved the ALB Annual Board Assurance Statement.

9.2 General Purposes & Finance Committee

9.2.1 Draft minutes of meeting held on 29 January 2016

Ref: 1.4: Committee Self-Assessment

The Committee's Self-Assessment plan had been reformatted and would be presented to the May meeting of G P & F.

Mr McFarland raised an issue in relation to Item 2.5.2 ICT Strategy. This would be addressed at the next meeting of the Committee.

10. ASSEMBLY QUESTIONS WRITTEN & ORAL

Trustees noted Assembly Questions, both written and oral, and Management's response in respect of same.

11. ANY OTHER BUSINESS

Bi-Annual Assurance Statement (BIAAS)

Trustees reviewed and approved the Bi-Annual Assurance Statement (BIAAS) for signing by the Chief Executive and the Chairman.

Freedom of Information Request

The Acting Director of Finance spoke to the above item. Trustees would note from the previously circulated document that a Freedom of Information request had been received from a member of the public requesting the following documents:

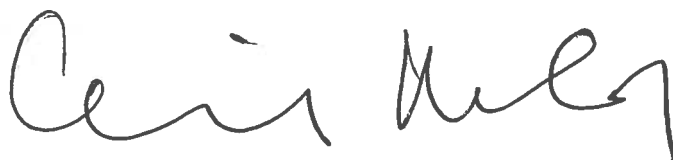
The Annual Report & Accounts for 2014/15, the 2014/15 Report to those Charged with Governance and the 2014/15 Head of Internal Audit Report.

Following discussion, the Board of Trustees agreed that the Head of Internal Audit's Annual Report should not be released on the basis of Section 36 (2) (c) of The Freedom of Information Act (FOIA) 2000.

12. DATE OF NEXT MEETING

The next meeting of the Board will take place on Friday 24 June at the Ulster American Folk Park.

The Chairman concluded the meeting by welcoming Kathryn Thomson to the post of Chief Executive and Accounting Officer. On behalf of the Board and himself, he wished her well in her future endeavours. The Board looked forward to her stewardship of the organisation in the years ahead.



SIGNED: _____

Micheal McCoy
Chairman

DATE: _____

