

## MEETING OF BOARD OF TRUSTEES

Friday 2nd December 2016

Board Room, Cultra

### **Trustees Present:**

Mr Miceal McCoy – Chairman  
Mrs Hazel Francey – Vice-Chairman  
Professor Michael Catto  
Mr Alan McFarland  
Dr George McIlroy  
Mrs Catherine Molloy  
Mrs Annette Moor  
Dr Margaret Ward

### **In Attendance:**

Ms Kathryn Thomson, Chief Executive  
Ms Anne Dorbie, Interim Head of Finance – (8.3)  
Mr Paddy Gilmore, Director of Learning & Partnership – (Item 8.1.2)  
Ms Pamela Baird, Head of Strategic Research & Planning  
Mrs Anne-Marie McCafferty, Committee Secretary

### **1. WELCOME & APOLOGIES**

Apologies were received from Professor Garth Earls, Professor Karen Fleming, Mrs Daphne Harshaw, Dr Rosemary Kelly, Dr Leon Litvack and Mr Joseph Rice.

### **2. CONFLICTS OF INTEREST**

The Chairman ascertained that there were no conflicts of interest in relation to the business as set out on the agenda.

### **3. APPROVAL OF MINUTES OF 23 September 2016**

Trustees approved the Minutes of the above meeting of the Board.

Proposed by: Mr Alan McFarland  
Seconded by: Dr Margaret Ward

### **4. MATTERS ARISING**

***Ref: 5.4.1 Board Standing Orders & Sub-Committees' Terms of Reference:***

Mrs Molloy requested that a meeting of the Governance Working Group be convened in order to consider the following aspects of the Board Standing Orders:

- Process for election of Vice-Chairman of the Board
- Protocol for Closed Sessions of the Board

It was agreed that a meeting of the Governance Working Group would be convened in line with the February meeting of G P & F.

#### **4.1 Update on Actions from previous meetings**

The Chairman updated Trustees on the summary of actions emanating from previous meetings of the Board, most of which were on the Agenda. He made specific reference to the following:

- **5.1.2 Collections Development Policy:** Dr Litvack had agreed to liaise with other museums, both national and specialist, and prepare a paper prior to the next meeting of the G P & F. The Chairman stated that a Working Group would be set up to report through G P & F on this matter.
- **8.2.4 Trading Company Working Group:** A meeting of the Trading Company Working Group to be convened in the New Year.

An updated Action List would be provided following the December meeting of the Board.

#### **4.2 Lessons Learned – Reflection by Board**

None noted on this occasion.

### **5. BUSINESS OF CHAIRMAN**

#### **5.1 Trustees' Attendance Record**

Trustees noted the above Attendance Record. The Chairman stressed the importance of meetings of the Board being quorate in order to enable it to make decisions for and on behalf of the organisation.

#### **5.2 Bi-Annual Assurance Statement**

The Chairman noted that the above statement had been reviewed by ARAC, who now recommended it for approval by the Board.

The Chairman of ARAC, Mrs Moor, said that this was a standard document prescribed by the Department based on its needs. She requested that the document be reviewed and the template developed as appropriate to ensure it also met the requirements of charity registration and therefore provide fuller assurances to the Board on all relevant matters.

The Chairman asked that reporting in the document be updated to reflect the pending procurement exercise in relation to Internal Auditors, and the appointment of an interim Head of Finance.

The Chairman referred to a presentation which had been requested by ARAC on the specific requirements of SORP and the Charities Commission and asked that any matters identified be added for future reporting in the Statement.

Trustees noted that the Statement was being retrospectively reviewed by the Board and ARAC.

The Chief Executive explained that the template had been updated following the establishment of the Department for the Communities and therefore pending receipt of this, it had not been possible to prepare the Statement for the last Board Meeting. When the Department had issued the required template there was a tight reporting deadline which had led to a timing issue on this occasion regarding Board approval. This would be addressed going forward.

### **5.3 Business Planning Diary**

Trustees noted the Business Planning Diary 2017-18. This would be placed on MinutePad.

## **6. Loans for Approval by the Board of Trustees**

Trustees approved the Schedule of Loans dated 2<sup>nd</sup> December 2016. They asked that titles be indicated against images included in the Schedule of Loans. The Chairman also asked that loans approved by G P & F be placed on MinutePad in order to inform all Trustees.

The Chief Executive confirmed it had been agreed that Trustees would be provided with an annual report in relation to loans.

## **7. Business of Chief Executive**

### **7.1 Chief Executive's Report**

The Chief Executive reviewed the above report in discussion with Trustees. She made specific reference to the following:

- **Programme for Government:** The final PfG had now been published for consultation along with associated documents. A review of these documents was currently ongoing in order to ensure that the organisation engages with all of the relevant indicator delivery plan leads.
- **Master Planning:** Tourism NI and Fermanagh & Omagh District Council have confirmed funding of £30,000 each to support completion of a feasibility study for the redevelopment of the Ulster American Folk Park. SIB had been engaged to complete this work by the end of March 2017. Engagement had also taken place with key stakeholders, including the Scotch Irish Trust and Libraries NI to ensure they are fully involved in this process. The intention was to bring a report to the Board in March 2017, or as soon as possible thereafter. Trustees welcomed this progression.
- **Stakeholder Engagement:** In addition to the engagements outlined in the report, National Museums NI had hosted the meeting of the Committee for the Economy at Cultra Manor on 30<sup>th</sup> November. The Tourism Strategy had been the topic for discussion and the Chief Executive advised that she had been invited to brief the Committee, as had Tourism NI. Following the meeting, the Committee Members were taken on a tour of the UFTM site. It had been a very positive engagement.

- **Consolidation of the Irish Regimental Museums:** The Chief Executive, along with Mr William Blair, Head of Human History, had met with Lt. Colonel Andy Hart from the Ministry of Defence, along with the consultant whom they had engaged to inform the development of an options appraisal for the future location and development of the Regimental Museums. It had been a positive meeting and assurances given that, whatever the outcome, NMNI would seek to work collaboratively with them in the future.
- **Staff Survey:** The G P & F Committee had received a presentation on the Staff Survey. It would now be placed on MinutePad. Trustees noted the importance of the full Board having an interest in this exercise and an opportunity for consideration of its outcomes. The Chief Executive agreed to provide the Board with a presentation on the Staff Survey at its next meeting in March 2017. It was agreed that, in future, consideration would be given when setting the Agenda for the G P & F for items that would also be of interest for the Board.
- **Monday Opening at UAFP:** The Chief Executive noted that Monday opening at UAFP through July and August had been successful. She sought Board approval to replicate Monday opening in 2017. Trustees agreed to this proposal.

It was agreed that an overall review of opening hours across all sites would take place in the 2017/18 financial year. The Chairman asked that it be kept on the agenda with a verbal update for the Board at its June meeting.

- **Board Pen Portraits:** These had been reviewed for consistency by MCT. Final versions would be placed on MinutePad. Trustees' approval was sought for placing them on the internet, text only, with photographs to follow. It was agreed that the Chairman would liaise further with the Chief Executive prior to them being placed on the internet. Trustees would be informed accordingly.
- **Trustee Awareness Sessions:** It was agreed that the following would form the programme of awareness sessions in 2017 for the Board:
  - Staff Survey
  - SORP
  - NMNI Contribution to Legacy
  - Loans & Acquisitions
  - Role of CEDaR
- **Lifetime Membership of the Museums:** The Chief Executive asked that the Board agree a consistent policy on the gifting of lifetime membership of the Museums. Following discussion, it was agreed that the Chairman and the Chief Executive would liaise further on this matter prior to a final decision being taken.
- **Update on Organisational Structure:** The Chief Executive referred to the presentation she had given to the Board in June in relation to a proposal for the restructuring of the organisation. The Board had given its approval to this proposal. Phase I of the process had moved forward on that basis, and recruitment was underway for the Director posts.

The Chief Executive gave Trustees a detailed presentation on Phase 2 of the process which considers the senior management support structure under the Director of Public Engagement and the Chief Operating Officer. A total of five senior posts was proposed

within these two Directorates. The Job Descriptions for these posts had been developed and independently evaluated through the JESP system.

As with Phase 1, a period of consultation would shortly be initiated on the structure and Job Descriptions for these posts. It was envisaged that the consultation period would run to the end of January. Phase 3, which will consider senior posts reporting to the Director of Collections, would follow thereafter. Recruitment would be dependent on approval from the Department and would be in line with the organisation's Staff Protocol.

Trustees discussed the need to manage and mitigate the risks involved as the process progressed. They acknowledged that this was a difficult time for individuals and that the Board valued the staff of the organisation.

In response to a question from Trustees, the Chief Executive confirmed that she had taken HR and legal advice on all aspects of the process.

The Chairman thanked the Chief Executive for her update on the direction of travel and assured her of the Board's support as the process progressed.

## **7.2 Historic Environment Division**

NMNI had been working collaboratively with Historic Environment Division to develop short, medium and long term solutions for the curation and storage of archaeological archives. Within this context the Chief Executive referred Trustees to correspondence from the Department for Communities in relation to facilitating the transport of archaeological materials from the Republic of Ireland to a temporary storage location in Northern Ireland. Following discussion, and an amendment to the draft agreement, the Board gave its approval to this request.

The Chief Executive provided assurances that what the organisation was undertaking in terms of risk, was mitigated by correspondence from the Department and should anything change in terms of that risk, the Board would be advised immediately.

## **8. BUSINESS OF EXECUTIVE**

### **8.1 Strategy**

#### **8.1.1 Vision, Mission, Values (Presentation by OPES Business Partners)**

The Chairman invited OPES to present the final proposal of the Vision, Mission & Values Framework.

The Board reviewed the process from its initiation in September 2016 and received a detailed presentation on the final outcomes of the exercise.

Following an in-depth discussion, Trustees agreed to sign off on the document subject to the Chairman and Chief Executive revisiting the final statement under Mission. Trustees would be updated accordingly.

#### **8.1.2 Volunteering Strategy**

The Chief Executive noted that the Director of Learning & Partnership, Mr Paddy Gilmore, had brought forward a Board Reserve Fund Application in relation to a Volunteering Development Programme for NMNI, to the September meeting of the Board. The Board had agreed to the

proposal in principle but had asked that it be brought back to the December Board, along with a Volunteering Strategy for further consideration.

Mr Gilmore reviewed the previously circulated Volunteering Strategy in discussion with Trustees.

Trustees asked that the document be synthesised into a shorter version and reflecting the newly developed Vision, Mission & Values Framework.

Trustees agreed to the proposal on the understanding that an updated Volunteering Strategy, as outlined above, would be brought to the February meeting of the G P & F.

## **8.2 Business Performance**

### **8.2.1 Business Performance RAG Report Q2 (2016/17)**

Trustees noted the above report which had been reviewed by G P & F. No further questions were raised.

### **8.2.2 Visitor Performance Report (April-October)**

Trustees noted the above report which had been reviewed by G P & F. No further questions were raised.

### **8.2.3 Annual Safeguarding Report**

Trustees noted the above Report. The Chief Executive advised that there were no incidents to report in the last year.

## **8.3 Financial Performance – 2016/17**

The Head of Finance, Ms Anne Dorbie, reviewed the Financial Performance Report in discussion with Trustees. She referred Trustees to the graph under Note 1 outlining the Grant-in-Aid trend from 2011 to the current financial year showing a 30% reduction. In the same period, the organisation had lost 88 staff. She advised that she would prepare an overview of five-year trends across all income and expenditure for presentation to the G P & F at its meeting in February.

In terms of the overall position, Ms Dorbie noted the following:

- The period end position was reporting a surplus of £757k which was in line with projections. She noted the challenges facing the organisation in terms of the year end forecast which was currently under review and being monitored.
- The organisation was on course to meet its SGI target for the current year.
- Admissions overall, mid-year, were about £85,000 over budget. In terms of target, it was anticipated that this trend would continue to the end of the year
- Trading Income was currently looking at a £70,000 surplus at September but predicting that the overall target would be achieved. Similarly with corporate events, a £32,000 surplus at mid-year point. It was anticipated that that figure would reduce.

Ms Dorbie reviewed additional pressures under expenditure. She assured Trustees that these were being addressed and monitored. She also informed Trustees of an Exhibition Tax Relief scheme which had just been initiated the benefits of which would potentially become apparent in 2018.

The forecast for year-end was currently £50,000 overspend. However this was continually being reviewed and managed to recover this position and deliver a break even position.

### **Savings Delivery Plans**

The organisation was on target to meet its SDP target for the current financial year despite the delay in the launch of the Voluntary Exit Scheme. As previously reported, in year savings from VE were £163k which was considerably less than originally anticipated at £480k at the start of the year.

The Chief Executive noted that the VES SDP was based on the projection of 26 FTEs leaving the organisation on 31 December 2016.

Mrs Moor asked if the loss in savings under VE was a direct result of the payroll/pensions issues discussed at the November meeting of ARAC.

The Chief Executive confirmed that that was indeed the case.

This matter would be further discussed under Item 9.1.2 below.

### **Capital Programme Update**

Trustees noted the above update. Ms Dorbie reported that preliminary work had now commenced across the capital programme projects. She also noted that a prioritised list of c£1m had been submitted to the Department for consideration under its recent monitoring round.

The Chief Executive advised that she had asked Ms Dorbie to prepare an Asset Management Strategy for presentation to the Board and to inform future capital planning.

The Chairman thanked Ms Dorbie for her report. He welcomed the trend graphs which had been provided and noted the benefit of this type of information being made available on an ongoing basis.

Trustees stressed the importance of continuing to improve on the level of self-generated income particularly through the organisation's trading activities.

## **9. BOARD OF TRUSTEES' COMMITTEES**

### **9.1 Audit & Risk Assurance Committee**

#### **9.1.1 Adoption of Minutes of Meeting held on 16 September 2016**

Trustees adopted the minutes of the above meeting of ARAC.

#### **9.1.2 Verbal Update of meeting held on 25 November 2016**

Mrs Moor briefed Trustees on discussion which had taken place at the above meeting, the Minutes of which would be available in due course. She made specific reference to the following:

- **Middle Management Presentations:** The schedule for 2017 had been considered and agreed. Mrs Moor noted the high quality of presentations that had already taken place.

- **Internal Audit Report:** The following reports had all received a 'Satisfactory' rating:

- Review of Payroll
- Review of Bank & Cash
- Review of Procurement
- Review of Management & Third Party Contracts

Mrs Moor referred to the tabled KPMG recommendations outlining significant issues which had arisen under Payroll. The issues related to the Leaver's Process and the Interface between NMNI Payroll system and the Civil Service Pension Scheme. These matters had been fully discussed by ARAC and Management had accepted KPMG'S recommendations.

The Chief Executive referred to the legacy issues involved in relation to the maintenance of pensions' data and interface with the pension provider's system. The scale of the issue was currently being assessed and an Action Plan developed to address issues. She noted the significant challenge involved in resolving this matter given that the organisation was due to move to a new payroll system in Quarter 4. She assured Trustees that high priority was being given to resolving the issues and the Board would be kept updated on progress.

#### **9.1.3 Raising Concerns (Whistleblowing Policy)**

Trustees approved the above Policy which had been reviewed by G P & F and ARAC. The policy would now be placed on MinutePad.

#### **9.1.4 Middle Management Presentation Schedule**

Trustees noted the above schedule for 2017.

#### **9.1.5 Provision of Internal Audit**

Mrs Moor reported that ARAC was content with the process in place for the tender for the Provision of Internal Audit Services. Dr Litvack, Vice-Chairman of ARAC, would Chair the panel which would include the Chairman of the Board, Professor Garth Earls and the Chief Executive. Trustees would be updated accordingly.

#### **9.1.6 Reports to those Charged with Governance 2014/15 & 2015/16**

Mrs Moor advised that the above two reports, subject to a minor amendment, had been approved by ARAC and were now recommended for approval by the Board.

Trustees approved the above reports.

#### **Report to those Charged with Governance 2014/15**

Proposed by: Dr George McIlroy  
Seconded by: Mrs Hazel Francey

#### **Report to those Charged with Governance 2015/16**

Proposed by: Professor Michael Catto  
Seconded by: Dr George McIlroy



**9.2 General Purposes & Finance Committee**

**9.2.1 Adoption of Minutes of Meeting held on 2 September 2016**

Trustees adopted the minutes of the above meeting.

**9.2.2 Draft Minutes of Meeting held on 11 November 2016**

Trustees noted the Draft Minutes of the G P & F of 11 November 2016 which would come back for adoption to the March Board once agreed by the Committee.

Trustees debated how best to ensure that proper scrutiny was given to the Financial Performance at both G P & F and the Board, including allocating adequate time for discussion and challenge.

To facilitate this, Trustees asked that the management accounts be presented on the large screen for future meetings.

**9.3 Remuneration Committee**

**9.3.1 Adoption of Minutes of Meeting held on 20 May 2016**

Trustees adopted the minutes of the above meeting.

**10. ASSEMBLY QUESTIONS WRITTEN & ORAL**

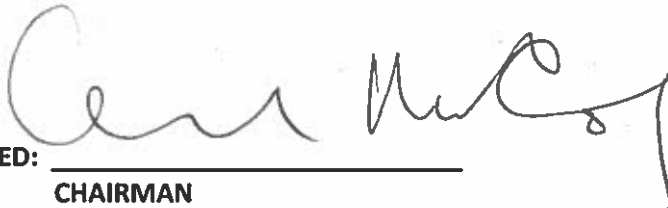
Trustees noted the above report.

**11. ANY OTHER BUSINESS**

There were no matters raised.

**12. DATE OF NEXT MEETING**

The next meeting of the Board will take place on Friday 10 March 2017 at the Ulster Folk & Transport Museum, Cultra.



SIGNED: \_\_\_\_\_  
CHAIRMAN

DATE: 10 March 2017