

**THE TRUSTEES OF THE NATIONAL MARITIME MUSEUM**  
**THREE HUNDRED AND SIXTY-FIRST MEETING**  
**09:30 THURSDAY 28 FEBRUARY 2019**  
**IN THE BOARDROOM OF THE NATIONAL MARITIME MUSEUM**

**MINUTES**

**Trustees present:**

**Sir Charles Dunstone, Chairman**  
**Joyce Bridges**  
**Dr Fiona Butcher**  
**Dr Helen Czerski**  
**Professor Julian Dowdeswell**  
**Dr Aminul Hoque**  
**Carol Marlow**  
**Alastair Marsh**  
**Jeremy Penn**  
**Eric Reynolds**  
**Gerald Russell**  
**Admiral Sir Mark Stanhope**

**In attendance:**

<b>Kevin Fewster</b>	<b>Director</b>
<b>Andy Bodle</b>	<b>Director, Operations and HR</b>
<b>Eleanor Harris</b>	<b>Director, Visitor Experience and Enterprises</b>
<b>Kate Seeckts</b>	<b>Director, Development</b>
<b>Gail Symington</b>	<b>Director, Collections and Public Engagement</b>
<b>Chris Walker</b>	<b>Director, Finance and IT</b>
<b>Christopher Gray</b>	<b>Museum Secretary</b>
<b>Jane Costantini</b>	<b>Museum Records Manager</b>

*~Board Matters~*

- i**     **Trustee appointment**  
The Chairman welcomed Alastair Marsh to the Board of Trustees who had been appointed by the Prime Minister for a four year term starting on 3 December 2018, and Trustees were then pleased to ratify his appointment to the Audit Committee.
- ii**    **Trustee reappointments**  
The Chairman reported that the Prime Minister had reappointed Admiral Sir Mark Stanhope and Jeremy Penn as Trustees, both for four year terms, commencing on 1 February 2019.
- iii**   **Recruitment of Director**  
The Board noted that a small Committee of Trustees will be taking this forward. An executive search firm had been appointed and interviews were expected to take place at the end of April.

~Governance Session~

1. **Apologies**  
None.
  
2. **Declaration of relevant interests related to this meeting**  
None other than those previously registered.
  
3. **Draft Minutes of Board meeting 360 of 22 November 2018**  
The Board agreed the minutes to be a true record of the meeting and the Chairman of the Board certified the minutes accordingly.
  
4. **Museum of the Year Award application and film presentation**  
By way of background to the application the Director stated that the Art Fund Museum of the Year Award is the world's biggest museum prize and the UK's largest arts award. The prize champions what museums do, encourages people to visit and gets to the heart of what makes a truly outstanding museum.  
  
The Board then viewed the film which was a necessary part of the Museum's submission. Trustees were very pleased to see the focus on the audiences' work on, and reaction to, the four new galleries and considered it a very powerful application. The Board then thanked those responsible for the work across the Museum – both in developing and delivering the galleries and for putting together the application itself.
  
5. **Director's Report for December 2018 to February 2019**  
The Director focussed on:
  - *Visitor numbers* ~ having been strong over the Christmas period with record figures achieved in January at both ROG and the Queen's House. After a poor beginning to 2018-19, as at 31 Jan 2019 RMG is 1% above last year's visitor total for the year to date.
  - *RMS Titanic collection* ~ Trustees were informed that the Federal court in Norfolk VA met on 17 December to consider NOAA's revised recommendation that the court ratify the sale of the collection of Titanic objects to the Stalking Horse bidder. Regretfully, on 21 December the court accepted the NOAA recommendation. However, the judge made several amendments to the NOAA recommendation, tightening up to some extent the company's requirement to submit to the court any intention they may have to sell-off objects. The sale was eventually completed on 13 February 2019. This means that, in accordance with clause 10.1.3, the Heads of Agreement dated 25 September 2018 between National Maritime Museum Greenwich, The Titanic Foundation Ltd, Titanic Belfast Ltd and National Museums and Galleries of Northern Ireland (NMNI) terminated as of 13 February 2019. The same is true of the agreement between NMM and NMNI.  
While the Board was disappointed not to have succeeded, it was clear that all involved had done the right thing in trying to bring this collection intact into public ownership in the UK.

- *New research acquisition* ~ The Museum has recently been donated the Colville archive collection, an important and comprehensive collection of papers from a prominent dynasty of navy and army officers which is as yet unseen by the research community.
- *Endeavour project* ~ The accounts for the Endeavour Project are now being finalised and show that the total project (PPMCC, new galleries, Park Row Wing accommodation, ROG enhancements) cost £27.0m of which £25.4m was raised from external sources (including fundraising and a DCMS special grant) leaving £1.6m to be funded by NMM (predominately for PPMCC). The Director was thus pleased to report that the project was funded with no net drawdown from the Museum's Development Fund.

Finally the Director stated that, as per his email to Trustees of 30 January and included as an appendix to his report, he would be stepping down in the middle of 2019. The Trustees noted this and agreed they would return to the matter at an opportune moment in the summer to thank the Director for his achievements for the Museum over the previous 12 years.

There were no other matters arising and Trustees were grateful for and noted the Director's Report.

## 6. Finance Director's Report:

### 6.1 Financial Performance for the year to 31 January 2019 v Q3 Forecast; cashflow; and Directors' expenses

The Director, Finance and IT reported that the financial performance in January is in line with the new Q3 forecast (which would be the next item on the agenda). He was also pleased with the good forecasting carried out across the Museum to reach that point and Trustees then noted the financial performance to 31 January 2019.

Trustees noted that the cashflow was showing current balances declining from £4.2m to £1.6m in January 2020 but that the opening balance had been increased by the one-off receipt of the £1.25m from National Grid for the Kidbrooke works and that 2019/20 receipts did not include NMM Enterprises activity which is remitted annually. On this basis, the Director Finance and IT considered the net outflow to be less alarming than seemed the case at first sight but that he would certainly be paying close attention to the cash situation over the period.

Trustees then noted the Executive expenses from 1 October to 31 December

### 6.2 2018-19 Forecast at Q3

The Director, Finance and IT stated that the projected surplus for the full year after access to Reserves (for income recognised in prior years) increases from £438k at Q2 to £844k at Q3. The reason for the improvement since Q2 was largely due to decreased costs/savings of £573k, with the largest areas being in maintenance, staff expenses and hospitality.

Trustees then approved the forecast at Q3.

### 6.3 Strategic Risk Register at February 2019

The Director, Finance and IT stated that the Executive Board had reviewed

the Risk Register at its meeting on 29 January and that the Audit Committee had considered and endorsed the Register at its meeting on 7 February.

The updates over the period since November 2018 were:

**RMS Titanic** – As stated above, confirmation of sale to third party had now been received. Therefore only a minimal reputational risk remained. Inherent and residual likelihoods had been reduced accordingly.

**Staffing** – this risk had been extended to include changes in senior leadership with an inherent risk increased during the recruitment process for a new Director

**Brexit** – Scope of risk and mitigation narrative had been expanded. The inherent and residual likelihood increased to level 5 (very likely); inherent impact increased from 4 (serious) to 5 (major). However, the residual impact is maintained at level 3 due to enhanced mitigations such as pre-buying shop stock.

Trustees then asked about the critical factors around Brexit and were told that the greatest sensitivity was around visitor numbers with admissions revenue forming such an important part of the Museum's income. In particular Trustees were informed by the Director, Visitor Experience and Enterprises that advance travel bookings from Europe, and especially from Germany, were now at a low ebb.

Trustees were then informed that the UK-wide staycation market did not greatly benefit London due to the costs involved, the threat of terrorism and the perception of travel disruption. However, Trustees then heard that Visit London were now pursuing a domestic campaign of convincing Londoners to take their holidays in the capital – however, this would not be a quick solution.

Regarding such matters as the supply of electricity and the purchase of consumables the Trustees requested that this important matter, the green agenda, be explored at a later meeting. The Director, Operations and HR stated that he would do so building on the sustainability report made in Trustees' Annual Report to Parliament.

The Board then approved the February 2019 Strategic Risk Register and noted in particular the Brexit associated risks with the contingency proposed in the next item on the agenda.

#### **6.4 Resolution to transfer funds to the RMG Foundation**

The Director, Finance and IT stated that the Executive's proposal is that the year's surplus is used to fund the designation of up to £150k to the *Cutty Sark* maintenance reserve, a grant of £200k to RMG Foundation and the balance split between RMG General Reserve as additional contingency for operational risks in 2019-20 (in particular relating to Brexit) and further grant to RMG Foundation.

The Trustees agreed to the proposal then resolved to:

- Designate any surplus for the year ended 31 March 2019 arising from *Cutty Sark* activities to a fund for future maintenance of the ship up to a

maximum value of £150,000. Any excess to be held in general reserves as additional contingency for 2019-20.

- Apply any surplus for the year ended 31 March 2019 arising from Museum activities in the following order of priority:
  1. Award a grant of £200,000 to the RMG Foundation.
  2. Designate up to £500,000 to RMG general reserves as additional contingency for 2019-20 to reflect the current uncertainty arising from Brexit and its potential consequences.
  3. Allocate any remaining 2018-19 surplus equally between RMG general reserves and a further grant to RMG Foundation.

## **7. Corporate Financial Planning and Business Planning**

### **7.1 Corporate Financial Planning 2019-2023**

The Director, Finance and IT took the Board through the paper by highlighting the chief points made via a presentation and stated that he would look again at the gradient of the graph depicting the rise in self-engendered income.

The Director, Finance and IT reported that the work on the core operational model was now completed and that both the revenue and capital budgets were now in balance. That work excluded the major projects as delineated in the Corporate Plan: ROG350; Cutty Sark 150; Kidbrooke phase II, and those would need to be treated as stand-alone activities for which funding had not yet been secured or costings agreed.

Trustees noted that going forward there were both pressures and opportunities on the Museum's operational financial model.

The pressures included: the results of the condition surveys; operational costs of improved facilities (PPMCC); rising costs of IT infrastructure & security; potential investment in staff (with turnover at some 30%) though achieving the LLW is not affordable in the current model with its near future uncertainties. Other pressures included the successes of recent years in increasing self-engendered income through admissions leaving that area sensitive to fluctuations in visitor numbers around Brexit (the range of which could be significant) and projections for special exhibitions. Moreover, the Museum's success in recent capital fundraising makes it more difficult to return to previous grant makers and philanthropists. It was also safe to assume that Grant-in-Aid would not increase over the immediate period ahead.

The opportunities included: the potential of fundraising for core operations; further growth in Enterprises in retail; venue hire; and admissions. There were also cost efficiencies from the reduction in the portfolio of rented property when this would shortly come to pass and this would also generate energy cost savings; and more efficient ways of working.

Nevertheless, the Board noted that there was a plan to deal with the short to medium term risks which included a range of options including an increase in self-generated income via admissions and trading; an increase of fundraising for core activity from £1m to £2m by 2020/21; cost efficiencies including a

**£0.7m reduction in staffing; pulling back on short term spends if needs be and longer term efficiencies in areas such as energy usage.**

**Trustees were grateful to the Director, Finance and IT for the clear and balanced report, and the thoughtful work that was behind it, and made the following observations.**

**Overall, Trustees noted the risks and sensitivities associated with the admissions and trading income projections with Brexit ahead.**

**The Director, Finance and IT acknowledged that the targets were ambitious, but they represented progressive growth; had been worked up by the teams responsible for delivery and would be closely monitored. In addition the Director, Visitor Experience and Enterprises reported that she was confident about the forthcoming price changes at the two sites and that a lot of work had been done on this with the support of the Travel Trade. In addition the Events team now had a proactive approach to their marketing rather than simply a reactive one to enquiries, and there were fresh ideas for new income streams to be pursued.**

**The Chair of the Audit Committee stated that the revenue fundraising target of £2m by 2020 is particularly ambitious and that this also involved a shift from capital to revenue fundraising. The Executive agreed that this was a challenging target and it was also noted that it was difficult to recruit experienced development staff at the moment - precisely because the context is so tough.**

**However, the Director, Development noted that her team's recent focus had been on capital campaigns and that there was opportunity to grow revenue fundraising e.g. by building relationships between the Museum and funders in a more effective way especially by using a senior team of volunteers with ability and high-level contacts to assist in bringing in funds.**

**The Director commented that exhibition costs and income are inevitably "lumpy" but that the forward planning is such that they are difficult to stop in less than 18 months prior to opening. The Director, Collections and Public Engagement stated that going forward the cost budgets have been reduced against previous benchmarks and the new methodology for projecting visitor numbers brings a new realism to exhibition income streams. The Director, Finance and IT added that while investment in exhibitions is substantial the numbers of special exhibitions per annum in the SEG are being reduced from 2 to 1 a year.**

**The Chair of Audit Committee said that in his view the budget had been a very thorough process. Overall Trustees acknowledged that there was an element of risk in the income assumptions, but that the underlying approach that the organisation must continue to aim high was correct, albeit with the carefully structured contingency plan to invoke if indications arise that income lines will not be met.**

**With those points the Trustees approved the 2019-20 budget and the direction of corporate financial planning over the years of the Corporate Plan 2019 to 2023.**

## **7.2 Draft 2019-2020 Divisional Business Plans**

The Director stated that the Divisional Business Plans need to be seen in conjunction with the 2019-20 budget since the plans outline the deliverables that the budgets support.

Despite the plans necessarily being presented on a divisional basis Trustees were assured that the Executive work closely together on cross-divisional projects such as ROG 350 with a shared mission model. In addition, as the Director, Operations and HR reported, the entire Executive and Senior Managers had worked together to deliver some £800k of carefully considered staff savings over the 2019-20 year ahead.

Trustees were pleased to note in the Visitor Experience and Enterprises Plan the move to licensing for the grounds to allow year-round events, and to develop a programme of ticketed and corporate events without the need to gain as hoc grounds licenses. Trustees saw this as a potentially big growth area.

Trustees also noted the milestone to develop the research funding programme using the new Research Strategy and ensuring an increase in funding for research. It was agreed that the consideration and process for research grants should come to the July meeting.

The Board then approved the draft Divisional Business Plans for 2019-20.

## **8. Endeavour project progress report**

The Board was very pleased to note an extension of the Heritage Lottery Fund grant to 30 September was made allowing the Museum to continue with an enhanced program of Activities; full year gallery evaluation; and remedial works to back of house areas damaged during the base-build and fit-out works.

It was reported that the Heritage Lottery Fund has requested a final claim submission by 30 September 2019 accompanied by a project evaluation report which would be carried out by an external firm. It was likely therefore that the final Endeavour project report would come to the Board for its 21 November 2019 meeting.

## **9 Cutty Sark 150 update: Fundraising; and presentations on the programme of Celebrations and Cutty Sark 150 Enrichment Fundraising**

The Director introduced the wider programme and the Director, Development reported that the Development team were currently working hard on a potentially very large donation and the team had also increased the number of Patrons by 11. Some of the 11 were present at this meeting and for whose support the Director, Development was very grateful.

This year's Members and Patrons' appeal will be for a new figurehead to replace the 1950s version. The appeal will be launched at a *Cutty Sark Challenge* event on 2 April by Jon Culshaw. The Director, Development stated

that as always if Trustees have ideas to explore for support they would be gratefully received.

#### **Programme of Celebrations**

Regarding press, media and PR for the 150th anniversary year, the Director, Visitor Services and Enterprises reported that the ship would be seeing its 2 millionth visitor sometime in early summer; Royal visits were arranged; the Marathon and Big Half would play their part in raising profile (we are working with the BBC on these); much work was being done around the CS150 birthday weekend; photo stories are being produced; the rig climb project is still being worked on; and digital influencer events were being held – e.g. Family / Afternoon tea (in Spring/Summer 2019) and the Anniversary Weekend promotion – which would go to national and local media in November 2019.

Trustees noted that to kick-start the year, the Channel 5 Great British Ships programme titled *Cutty Sark: 150 years of war and speed* - was broadcast on 5 January. The following week the Ship appeared in a programme called Impossible Engineering on UK TV's Yesterday.

Over the year the Division will be working with Digital Visitor, Visit Britain, London and Partners, Visit Greenwich and the RMG social media team on a number of influencer and micro-influencer events for Cutty Sark 150 – the first of these visits planned for February.

The Director, Collections and Public Engagement then outlined the figurehead conservation plans and programme and the public programming for the year ahead. This had monthly highlights to ensure a global reach and to work with local audiences too: Chinese New Year; Cutty Sark Carnival (Brazil); Fantastic Flowers (Wales); Koinobori flying fish (Japan) and many other plans.

#### **Cutty Sark 150 Enrichment Project**

By way of introduction to the planned project, Trustees were reminded that visitor numbers to the ship had essentially plateaued at c.260k but costs, inevitably, continue to rise. The Museum therefore needed to ensure a greater number of people who are currently passing-by were converted into visitors - not only for the instructive pleasure of access to *Cutty Sark* and its wider meanings, but also to ensure the ship's operational resilience.

Trustees understood that the two main issues are: firstly, as the ship in its glass housing looks more like a monument rather than an attraction to be explored, it is not clear to the passer-by that the ship can actually be visited and enjoyed; secondly, that the current entrance configuration does not help convert those that may have entered this retail space into making a visit. It was clear to the meeting that the entrance area needs to feel much more welcoming and open and also give a foretaste of what is to come by experiencing the ship itself.

Trustees saw that the intention was to build on the understanding gained from the successful and recent work done in NMM's own enrichment project and provide the public with a greatly improved welcome space which would also demonstrate, graphically or through film, the stories that are explored on board.



Trustees not only agreed that that this was the right approach to take to increase the visitation to this nationally important heritage asset. The Executive then clarified that the timings of the works programme were to reduce the amount of disruption in peak times to a minimum. Trustees then asked the Executive to explore and consider additional ways in which the ship could be brought further to life perhaps through light displays on the rather deadening glass surround and through the delight for families of costumed actors and live story telling.

Trustees agreed that the next steps with the *Cutty Sark 150* Enrichment project should be to make a bid to the RMG Foundation in March 2019 for Phase I which would lead to the new shop area being on-stream in autumn 2019, and the ticket desk, way-finding, and demonstration of the master narrative for early 2020.

The Board then thanked the Executive for taking this step forward to lift visitation to the ship.

**10. Small Craft Review – disposal by sale**

The Director reminded Trustees that the deaccession of these items from the collection of the National Maritime Museum was agreed by the Board of Trustees on 14 September 2014 and consent for this was received from the Secretary of State for Culture, Media and Sport in November 2014.

Trustees noted that the Museum has made its best efforts to retain these items in the public domain but that having proved unsuccessful it is deemed that public benefit is best served by obtaining the fair market value for these items.

Trustees agreed that this is not considered a disposal “motivated principally by financial reasons” and agreed to the recommendation that the Museum dispose of these boats by public sale.

**11. Data breach update**

The Director, Operations and HR, speaking as Data Protection Officer reported that he had personally replied to the very small number of people who had asked specific questions and that otherwise there was nothing further to report to the Board.

~ *Strategy Session* ~

**12. *Building on our Success* ~ final draft Corporate Plan**

The Director stated that after discussion at the 22 November Board meeting the draft Corporate Plan was sent for consultation with staff and volunteers and the principal stakeholders: DCMS, RMGF, NMMC, WHS partners, HLF, RBG, and the public via our website. By the end of January a reasonable number of external responses had been received and, pleasingly, a good many responses from staff and managers. When specifics were mentioned (which were all interesting though non-material) they had all been incorporated. Equally it

was understood that at some point the point the incoming Director may shift the emphasis.

Trustees requested the Executive to find a way of increasing the emphasis, perhaps using colour, for the three priority elements of: *Cutty Sark* 150; Royal Observatory 350; and Resilience and growth.

The Board was also agreed in requesting the Executive to be more explicit about the importance to the Museum of increasing the diversity of its audiences and embedding the ethos of access and inclusivity in order to grow a more people-centric Museum.

With those points, Trustees then approved *Building on our Success* the Corporate Plan for 2019-23.

**13. Matters arising from information in Volume B**

Trustees noted the fall in visit numbers to the IAPY exhibition but that this was likely to be due to the introduction of an admissions charge for the first time and that the current more robust forecasting model was not yet in place for budgeting this exhibition.

The Director reported that RMG is in negotiation with the Australian National Maritime Museum to take their James Cameron: *Challenging the Deep* exhibition as a tour venue in 2020. The Director had seen the show and was confident of its draw – in addition, James Cameron would be coming to the UK and would undertake the media work for the opening.

The Director also stated that he and the Director, Collections and Public Engagement would be travelling to China in March to explore two project options for working together on exhibitions that would be core to the Museum's future offer.

Trustees then noted the information in Volume B of their papers.

**14. Next Board Meeting**

Thursday 2 May 2019 at 09:30 in the Boardroom.

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Minutes certified by Sir Charles Dunstone, Chairman

Date

Trustees then received a demonstration of the examination of ship model interiors using an endoscope by Simon Stephens, Curator of Ship Models, who had joined the Museum over 40 years ago.

Trustees thanked Christopher Gray for his 20 years as Museum Secretary and wished him well for his retirement.