

15 March 2005

MUSEUMS AND GALLERIES OF NORTHERN IRELAND BOARD OF TRUSTEES

Minutes of a meeting of the Board of Trustees held on Tuesday 15 March 2005 at 11.30 a.m in the Evans Room, Cultra Manor, Ulster Folk and Transport Museum.

Present: Mrs Margaret Elliott (Chair)

Miss Linda Beers

Mr Harvey Bicker

Sir Kenneth Bloomfield

Ms Patricia Flanagan

Dame Geraldine Keegan

Mr Bill Montgomery

Mr S Neeson

Ms Wendy Osborne

Mr Tom Shaw

Dr Alistair Walker

In Attendance: Mr Tim Cooke (Chief Executive)

Mrs Jude Helliker (Director of HR & Organisational Development)

Mr John Gilmour (Director of Development)

Mr Marshall McKee (Director of Operations)

Ms Amanda Lilley (Acting Director of Finance)

Mrs Anne-Marie McCafferty (Minute Secretary)

1. APOLOGIES FOR ABSENCE

Apologies were received from Professor Eithne McLaughlin and Mr Dan Harvey.

2. APPROVAL OF MINUTES OF MEETING HELD ON 17 DECEMBER 2004

The Minutes of the meeting held on 17 December 2004, having previously been circulated, were accepted as a true record and approved.

3. MATTERS ARISING FROM THE MINUTES OF THE MEETING HELD ON 17 DECEMBER 2004.

There were no matters raised.

4. BUSINESS OF EXECUTIVE

4.1 Executive Summary

The Executive Summary was taken as read. The Chair referred to the Irish Museum of the Year Awards, held in January and extended congratulations to the Ulster Folk and Transport Museum for achieving the accolade of Museum of the Year and also an award for the Best Publication in respect of the publication "1 January 1900", and the Ulster Museum for Best Exhibition award in respect of 'Conflict'. The Chair said that these were very significant awards in the Museum calendar and provided excellent opportunities for good public relations. It was appropriate that the Board recognised these achievements and the work of the Executive Team and staff across MAGNI.

The Chief Executive thanked the Chair and the Board for their words of congratulations. He referred to the forthcoming Northern Ireland Tourist Board Awards and advised members that W5 had been nominated in four different categories - 'Best Visitor Attraction',

'Marketing Excellence' , 'Best Event' and 'People Development'. The Ulster American Folk Park had also been nominated for 'Best Visitor Attraction'.

The Chief Executive referred to the recent highly successful 'Flight Experience' launch at the Ulster Folk and Transport Museum and extended his thanks and congratulations to all the staff involved in the redesign of the gallery. He noted that this project had received wide support from bodies such as the Millennium Commission, the Bombardier Foundation and Peace II.

Referring to visitor numbers, the Chief Executive advised members that, for the second consecutive year, MAGNI visitor numbers had reached record levels. He said that this was an indication of the enormous amount of work being undertaken by staff in order to deliver engaging exhibitions and services across the organisation. He said it was a tribute to staff who were currently working in a period of considerable uncertainty.

The Chief Executive informed members that Mr Nigel Carson, Director, Culture and Recreation Division, DCAL for the last six years, was now moving to the Department of Health. He would be replaced in early April by Mr Mick Corey, currently Director of Ordnance Survey Northern Ireland (OSNI).

4.2 Business Plan (2005/06)

The Chair invited the Chief Executive to review the draft Business Plan.

The Chief Executive advised Trustees that the draft Business Plan incorporated the key issues from both the business model, approved by the Board at its meeting on 17 December 2004, and the 2005/06 element of the draft Corporate Plan. Section 4 of the draft depicted priority aims and activities for 2005/06, and reflected the content of the Corporate Plan but with a more detailed outline of actual activities in terms of divisions/departments. Senior Managers across the organisation had been consulted and asked to identify activities their divisions/departments would be undertaking in order to deliver on the stated business objectives. Given that MAGNI's grant-in-aid allocation had already been decided, the Introduction section differed from the bidding document format of previous years. Referring to the Key Performance Indicators on Page 6, the Chief Executive explained, that, where possible, W5 had been included in terms of MAGNI's overall performance. He noted that the W5 Business Plan was developed under a separate process but, as requested by the Board, the overall performance of W5 had been incorporated within MAGNI's performance in relation to both the Corporate Plan and the Key Performance Indicators for the organisation as a whole.

The Chief Executive advised that if the Board was content with the draft Business Plan, it would be submitted to DCAL for approval.

The Acting Director of Finance reviewed some of the main principles as outlined in the business model approved by the Board on 17 December 2004 and which had now been built into the projections. She explained the rationale behind increases and decreases under a number of headings. The Acting Director referred Trustees to Page 39 of the draft and explained that DCAL now required a projected profile of drawdown of grant-in-aid. This was being provided for the first time and would reflect cash flow management for the year.

An in-depth discussion ensued during which Trustees sought clarification on a number of issues contained within the document. Dame Keegan asked if procedures had been set in place to ensure delivery of the plan, identifying who had ownership of the various elements contained therein, how it would be monitored and reviewed and if specific targets and measurement indicators would be established.

The Chief Executive said that subject to the approval of the Board, and ultimately DCAL, the Business Plan, and Corporate Plan, would translate into a working operational plan directly aligned to programme or site based budgets and would therefore be linked to performance management of individuals within divisions/departments. This link would

establish clear ownership, and identify clear responsibilities in relation to the key objectives contained within the plan.

The Acting Director of Finance informed Trustees of the intention to introduce rolling budgets in order to monitor the whole budgetary process throughout the current financial year. Senior managers had been asked to submit, in parallel with their plans within the current budget, a series of bids, particularly their top three prioritised bids, so that in the event of additional funding becoming available, these could be readily reviewed. Budgets would be revisited in June, September and December.

The Acting Director of Finance clarified a number of points raised by the Chair in relation to 'self generated income' and 'other grants'.

Dr Walker said that generally the draft plan was excellent but noted that it did not acknowledge the strategic need to develop the maritime dimension of MAGNI's work. He accepted that this need had been reflected within the Corporate Plan and whilst there were valid reasons for it not to be included within the 2005/06 business plan, it was imperative that it be included in subsequent business plans.

Subject to some minor amendments, Trustees approved the draft Business Plan for submission to DCAL for its approval.

Proposed by: Dr Alistair Walker
Seconded by: Mr Tom Shaw

4.3 Corporate Plan 2005-2008

The Chief Executive updated Board members on progress with the draft Corporate Plan including initial feedback from DCAL. This item was further discussed under 'Reserved Business'.

4.4 Reform and Modernisation

The Director of Human Resources and Organisational Development reviewed her previously circulated document which outlined the key priorities in respect of the Reform and Modernisation agenda. This item was discussed under 'Reserved Business'.

Integrated HR System

In November 2004 invitations to tender had been issued for the procurement of an integrated HR system. The consultants, Deloitte were selected to assist with the procurement process and subsequently shortlisted twenty-one providers in early February. Recently presentations had been given by three of the shortlisted companies and the project team was due to meet with the preferred bidder with a view to agreeing a contract. The introduction of an integrated HR system would be most advantageous, allowing for better integration in terms of management information across all sites.

4.5 Update on Capital Development - Director of Development

The Director of Development informed members that a decision in relation to the Stage 1 application to the Heritage Lottery Fund (HLF) for the Ulster Museum would be taken by the HLF Board in London on 22 March. An "expert panel" from HLF had visited the Ulster Museum and seemed satisfied with the proposals for its refurbishment. The local HLF Committee had recommended the project but advised that it would be competing with other projects in the 5m bracket. It was estimated that the Ulster Museum project would cost approximately 10.5 - 11m. Grant support was on offer from DCAL towards this and other MAGNI capital projects.

The Director of Development also updated the Board on progress on the other capital projects at the Ulster Folk and Transport Museum and the Ulster American Folk Park. A

successful outcome from the Stage I HLF bid would release funding for the improvement of visitor and exhibition facilities on the other sites. As outlined in the Business Plan, a feasibility study will be completed for Armagh County Museum in the 2005-06 financial year.

The Director of Development advised Trustees that there was a requirement to use the Central Procurement Directorate, a division of the Department of Finance and Personnel, for all major capital procurements within MAGNI. CPD would act as project advisers on the Ulster Museum project. The scale of the project was such that a reduction in museum services over the two year refurbishment and fit out period was likely.

The Chair thanked the Director of Development for his report and looked forward to ongoing progress reports.

4.6 Potential Sale Of An Asset

This item was discussed under "Reserved Business".

4.7 Adoption of Financial Statements for 2003/04

The Chair invited Sir Kenneth Bloomfield, Chair of the Audit Committee, and the Acting Director of Finance, Ms Amanda Lilley to speak to the above item.

Sir Kenneth informed members that the Financial Statements for 2003/04 had been fully discussed by the Audit Committee and some minor amendments, which did not reflect on the substance of the accounts, had been proposed and agreed. He advised that the Comptroller and Auditor General's report had still to be completed and would be included within the Financial Statements when finalised. Sir Kenneth drew members' attention to the fact that the 'qualification' of the accounts, which had existed for a number of years in respect of the Fixed Assets Register, had now been removed. He explained to Trustees that the general rule of practice in the public sector would be for the Annual Report and the relevant Financial Statements to be published alongside each other. For a number of reasons if this were to happen in the current year it would delay publication of the accounts. The Department of Finance and Personnel has permitted separate publication for this year only.

The Acting Director of Finance advised Trustees that this was the first year in which the results of W5 had been consolidated into the MAGNI financial statements, and comparative figures restated accordingly. She briefly reviewed the financial statements making specific reference to the consolidated Income and Expenditure account, and informed the Trustees of the amendments agreed by the Audit Committee.

Sir Kenneth said that he would like to recommend to the Board, subject to any further discussion, that he, together with the Chair and the Chief Executive, be authorised to have a final review of the document prior to it being signed off by the Chair and the Chief Executive.

Following a short discussion, the Chair proposed that, subject to the agreed amendments, the Board adopt the Financial Statements for 2003/2004.

Trustees agreed to this proposal.

4.8 Approval of Loans

The Board of Trustees approved the various loans to and from the Ulster Museum.

5. BUSINESS OF CHAIR

The Chair advised that she had one item of business she wished to discuss at the end of the meeting in the absence of the Executive.

6. TRUSTEES SUB-COMMITTEES

6.1 Staffing Committee

6.1.1 Approval of minutes of meeting held on 26 November 2004

6.1.2 Approval of minutes of meeting held on 18 February 2005

The Board of Trustees approved the minutes of the above meetings of Staffing Committee.

6.2 General Purposes and Finance Committee

6.2.1 Approval of minutes of meeting held on 26 November 2004

The Board of Trustees approved the minutes of the meeting of 26 November 2004.

6.2.2 Verbal report of meeting held on 18 February 2005

The Board of Trustees noted the minutes of the meeting of 18 February 2005.

6.3 Audit Committee

6.3.1 Approval of minutes of meeting held on 14 January 2005

The Board of Trustees approved the minutes of the meeting of 14 January 2005.

Sir Kenneth Bloomfield referred to the meeting of the Audit Committee which had immediately preceded the Board meeting. He advised Trustees that the Northern Ireland Audit Office had stated its position in relation to the Financial Statements. This was a very positive report, given the removal of the 'qualification' from the accounts as outlined above. The other two main items of discussion related to the quarterly review of the Risk Management Strategy and KPMG's Internal Audit report on core financial systems. The discussion on these matters would be fully minuted within the Audit Committee minutes.

Referring to the Risk Management Strategy, Sir Kenneth said that members had expressed deep concern at the delay in receiving approval for the organisational proposals put forward to the Department which were essential in order to progress the necessary programme of change.

Sir Kenneth advised Trustees that the Audit Committee wished to recommend that, in the interests of continuity, KPMG should be retained as Internal Auditors for a further year, thereafter the matter could be revisited and tenders invited in respect of the internal audit function. Sir Kenneth said that after due consideration members thought this the best course of action, given the current situation within the organisation.

Trustees agreed with the Audit Committee's recommendation in respect of extending KPMG's contract for a further year.

6.4 Marketing, Development and Fund-raising Committee

6.4.1 Approval of minutes of meeting held on 10 February 2004

Mr Montgomery, Chair of the Marketing, Development and Fundraising Committee reviewed the above minutes and made specific reference to the discussion under Item 3 in relation to the 'Result'. He suggested that Mr Neeson, a member of the National Historic

Ships Committee, speak on this issue. Mr Neeson echoed Dr Walker's view with regard to the strategic need to develop the maritime dimension of MAGNI's work. Referring to the Result, he said he would like to propose that the Board consider the long-term future of this ship, one of the most historic vessels in the UK. There were two issues that needed to be addressed in relation to the Result, (1) the current condition of the vessel and (2) its importance as an exhibit.

The Director of Operations advised Trustees that the "Result" had come to the Ulster Folk and Transport Museum many years ago, had sat out in all weathers and had suffered significant degradation as a result. Mr John Kearon had undertaken a condition survey of the "Result" some years ago and had recommended that both the "Result" and the "Mary Joseph" should be covered to prevent further deterioration. As a result of additional money being made available by DCAL, this recommendation had been implemented some eighteen months ago. Mr Kearon had also stated that a significant amount of restoration work would be required in order to have the "Result" fitted out to its original specification. Obviously there would be a cost associated with the restoration of the vessel and it would be a matter of deciding where that sat in relation to other prioritised conservation needs of the organisation. The Director of Operations said that he would forward a copy of Mr Kearon's report to Trustees.

Trustees discussed several possible options that could be further explored in order to ensure the long-term preservation of the vessel.

The Director of Operations referred to the Business Plan and the intention to conduct a condition audit across prioritised collections MAGNI-wide in an effort to ensure appropriate expertise could be made available where it did not already exist. Management would avail of expertise to undertake the condition audit and as a result would bring forward proposals for a conservation plan that would address the prioritised needs of the collections.

The Director of Operations proposed that Trustees allow the Executive to have further discussion in relation to this concern and to bring forward a prioritised conservation plan that clearly addressed some of the issues arising out of the audit it was now commissioning. This would allow for a more strategic approach to be adopted in relation to this matter. He reiterated that he would provide Trustees with a copy of Mr Kearon's condition report and obtain an updated report from Mr Kearon on the current state of the vessel.

The Board, mindful of its statutory responsibilities in relation to the collections, agreed to the proposal put forward by the Director of Operations.

Mr Montgomery advised Trustees that Millward Brown's representatives had given a presentation summarising and analysing the market research which had been carried out across the sites during the past two years. The Committee had agreed that it would be beneficial to have a descriptive summary of the conclusions arising from the statistics which could be presented to the Board at a later date.

It was agreed that the Chief Executive would progress this recommendation.

7. Whowhatwherewhenwhy (W5)

7.1 Minutes of W5 Board meeting held on 26 November 2004

The Board of Trustees noted the minutes of the W5 Board meeting held on 26 November 2004.

7.2 Minutes of W5 Board meeting held on 14 January 2005

The Board of Trustees noted the minutes of the W5 Board meeting held on 14 January 2005.

7.3 Verbal report of W5 Board meeting held on 25 February 2005

The Chair briefly reviewed the main items of discussion at the W5 Board meeting held on 25 February 2005.

The W5 Business Plan, approved by the W5 Board, was sent to all parties (OTC, DCAL, MAGNI) at the beginning of January. DCAL arranged a meeting for 10 March to discuss the Business Plan.

The Chief Executive advised Trustees that, as a result of the meeting on 10 March, a tripartite meeting had been arranged for 22 March to sign off on Business Plan.

W5's five-year strategic plan was approved by the Board in January and sent to all parties on 1 February.

The Deputy Permanent Secretary visited W5 in February.

Visitor numbers and finance are on target and W5 continues to have an excellent year.

The Chair noted that there were a number of capital issues and forthcoming activities which would be notified in due course.

ANY OTHER BUSINESS

The Chair advised Trustees of the need for retrospective approval of the Board for two items of expenditure above 75,000, in respect of Ulster Folk and Transport Museum.

The Board gave its approval for this expenditure.

DATE, TIME AND VENUE OF NEXT MEETING

The next meeting of the Board of Trustees will take place on 24 June 2005 at 9.30 a.m. in Armagh County Museum.

At this point, the Chair asked the Executive to leave the meeting as she wished to discuss a further item with the Board.