

HORNIMAN PUBLIC MUSEUM AND PUBLIC PARK TRUST

The Minutes of the Board meeting of the Horniman Public Museum and Public Park Trust held on Thursday 4 July 2019 at the Blue Fin Building.

Present

Eve Salomon
Geoffrey Crossick
Caroline Cole
Bunt Ghosh
Simon Hesketh

Nico Iacuzzi
Sarah Kemp
Clare Matterson
Carole Souter
Helen Williams

Nick Merriman (Chief Executive)
Paula Thomas (Board Secretary, Finance Director)
Victoria Pinnington (Director, Communications and Income Generation)
Tim Corum (Director, Curatorial and Public Engagement)
Kirsten Walker (Director, Collections Care and Estates)

1. Closed session

The Board approved the recommendation of the Remuneration Committee for the bonus of the Chief Executive in respect of 2018/19 and his pay increase effective from 1 April 2019.

2. Appointment of trustee

The Board approved the appointment of Helen Williams as trustee with effect from this meeting. The Chair welcomed her to the Board.

3. Apologies for absence and conflicts of interest

Apologies were received from Hilary Carty. It was noted that Hilary had completed two terms of office and would be stepping down from the Board after this meeting.

No conflicts of interest were declared.

4. Minutes of the previous Board meeting and matters arising

4.1. The minutes of the Board meeting of 22 March 2019 were agreed, subject to the addition of a reference to the two risks which had been removed from the risk register. A revised version was signed by the Chair,

4.2. Matters arising and action points

- Management updated the Board on progress with the staff restructuring plan. This has been delayed slightly due to a member of staff being referred for ill-health retirement. It is anticipated that this will be completed and new staff in place by October/November.

- Recruitment of a 'young' trustee had been put on hold during the recent recruitment process. It was agreed that other relevant criteria are experience or an interest in education or music. The ethnic diversity of the Board also needs to be considered. Senior management will look for expressions of interest from local schools, artists and musicians and come back to the Board with a formal recruitment process. Trustees who are local were also asked to notify the CEO or Secretary if they had any ideas.
- Trustees had been sent the link to the ACE Strategy consultation and asked to send any comments to the CEO so that he could feed them back at a consultation workshop. The CEO reported that he had attended an Arts Council presentation about this at a recent NMDC meeting. One of the main points is a move from five goals to three. The narrative is quite exciting as it focusses on creativity especially at grassroots but at the moment the funding model doesn't seem to fit the ambition. It was noted that there is still no recognition of science in museums or much on libraries. There is however an emphasis on partnerships and 'placemaking' which the Board felt that the Horniman was a good example of in Forest Hill and which could be a useful narrative to develop for funders. It was agreed that 'placemaking' should also be an integral part of the Framework. It was commented that DCMS will be asking ACE to think about impact for the Spending Review. The Treasury is most interested in 'excellence', so this message will need to be developed for the next round of funding. It was felt that the Horniman has a good story to tell, but our main problem is being based in London so we will need to make sure that we make the most of our work with partners elsewhere in the UK.

5. Management Report

Updates were given and discussions held in the following areas:

- Framework – although five councilors had confirmed attendance at the evening presentation meeting only one had turned up which was very disappointing. However she was very supportive of the plans.
- SCC update – there is no further news on our business case submission to DCMS as it's wrapped up with the Comprehensive Spending Review (CSR). The Royal Museums Greenwich (RMG) director has stepped down and a new director has been appointed. The CEO has met him and is now trying to arrange a meeting for the end of August to ensure the relationship is kept warm. If the bid to DCMS falls through or RMG pull out then it looks like there would be no net gain by moving the collections to Forest Hill and therefore this would significantly affect our Framework options. The alternative could be to look at developing around the current SCC site. CBRE have given us a quote for looking at this but it was agreed to hold off commissioning this work for the time being.
- Trustees noted the impressive list of awards and congratulated staff on their achievements.
- The 'bright and early' event had been a successful pilot with 40 invited visitors attending. This will now be rolled out at regular times.

- It was queried as to whether with the continued growth of the Membership, income from this source would ever be likely to exceed that from Admissions. Management reported that the number of visitors is still growing but that modelling is being done on this. We are looking to add new pop-up experiences which aren't included in Membership and Membership prices are being kept under review. It was noted that although there is scope for growth in visitor numbers an intervention is needed in the current building to address the resulting issues that this brings, which is one of the main focus areas of the Framework. It was agreed that it is important not to focus just on numbers but also on diversity of the audience.
- Some of the unsuccessful fundraising bids were outlined as well as the successful ones mentioned in the report. It was noted that these should be included in future reports.
- The Oceans Day display and events had been very successful and provoked a lot of positive responses from visitors and the media. The display has been extended to 1 August.
- It was agreed that we need to step up our environmental sustainability agenda as an individual museum but also as a sector. As our visitors are largely families with young children, it is an opportunity to help them think about the impact of climate change, pollution and biodiversity loss on future generations. We are thinking about action and engagement at the family level and of how we can engage our members. The CEO raised this at a recent NMDC meeting and is now leading a working group initiative about it with the aim of producing an agreement on collective activities. It was noted that this is a big deal for schools and a possible link with other relevant bodies in government e.g. DEFRA.
- Water pressure issues – the work is out to tender and is due to start at the beginning of August and will take approximately eight weeks. The environment has been stabilised in the Music Gallery.
- The CSR situation is still uncertain. A formal commission is expected after the leadership bid. It is becoming unlikely that there will be a three year settlement but instead an interim one year settlement. It was noted that 50% of public spending had already been allocated and that DCMS is an 'unprotected' department. DCMS had asked us to look at scenarios cuts of 2% and 8% to help them start putting together a case to Treasury, although it was not suggested that the latter was likely.

The Management accounts for 2018/19 and for the two months ended 31 May 2019 were reviewed by the Board along with the yearend dashboard.

6. Framework update

The CEO presented the latest plans to the Board. These are now up for public consultation in Gallery Square and also on the website.

Trustees were reminded that the architects were restricted by the fact that the Horniman is on Metropolitan Open Land (MOL) as well as being a listed building with listed gardens. If we build on MOL then an equal amount of

footprint needs to be released. Hence the plan to demolish CUE which is past its useful life.

The following comments were made/questions raised by the Board:

- Option 1 for the entrance area is preferred.
- The importance of acoustics in both the new entrance area and a possible lecture/performance space need to be taken into account.
- The commerciality of the spaces needs to be considered. Management reported that a consultant has been appointed to look at catering demand and the commercial viability of additional catering outlets. He had also been asked to suggest some interim options.
- The shop has been moved to release footprint for the entrance, but it is slightly bigger, which will enable a wider range to be displayed and better flow of visitors.
- The importance of new offices in bringing together the rest of the staff was agreed as desirable, but it was noted that if this wasn't affordable then a cheaper solution would need to be found to relocate staff from CUE.
- The high ropes is not currently in as discussions indicate that it might not be viable for a number of reasons.
- A soft play area or some other chargeable play area should be considered as there is likely to be demand for it. At the moment there is no obvious space for this. It would also be attracting the same kind of audience rather than helping to diversify it. Plans for a play area in front of the Kindercafe still need to be thought through as to the type and audience we are aiming for, whether it is open or covered etc. What about those who currently use the space as a kick-about area? Other spaces such as the Pavilion also need to be considered.

Costs: Total costs to do all the options have been calculated as £20-27m. The upper range costs coming from the quantity surveyor and the lower costs from the architects.

Funding: The sale of SCC and shared storage solution with RMG could release about £10m and would go a significant way towards funding the main elements of the plan. If this doesn't happen then alternative funding will need to be considered and will be more difficult. We are planning to ask the HLF for around £5m towards the Natural History Gallery cost, which isn't included in the figures above. Consideration has been given to include it in one large project and possibly go into the next level of HLF funding, but this would put us in competition with some very strong, large organisations who would probably have a more compelling case. Alternatively by asking for £5m in the near future we could go to them for another £5m later on in the phasing of the Framework. We would look to trusts and foundations and individuals for other sources of income. DCMS or other loans might be possible funding options for the commercial areas of the Framework although loans obviously need to be paid back and we don't want to be left with no net benefit for many years. This all needs to be built into the business planning.

Public consultation:

140 comments have been received, split fairly evenly between email, local forums, comment cards and other. They are broadly positive but there are a

handful of negative comments mostly from neighbours concerned about noise and others with a fixed idea about the Horniman not changing.

The Chair asked that the following be worked on by management and brought to the October Away Day: priorities, phasing, business planning, fundraising, staff capacity and resourcing.

7. IT Strategy update

This item was deferred to the next meeting.

8. Risk Register

The risk register was reviewed by the Board and the red risks noted. In respect of D3: Political and economic uncertainty due to Brexit ... it was suggested that as a no-deal exit was looking increasingly likely the implications of this and the Horniman's readiness for it should be considered at the October Away Day.

9. Audit Committee

9.1 Audit Committee annual report

The Audit Committee's Annual Report was commended to the meeting. This summarised the Committee's work for the year and recommended acceptance of the financial statements to the Board, based on its own consideration of the financial statements, internal audit findings, the audit report issued by the external auditors, which indicates an unqualified audit opinion, and other sources of assurance.

The Board considered the procedures in place to give trustees confidence that they have fulfilled their statutory duty of disclosure to the Auditors and agreed that the letter of representation to the Auditors should be signed on behalf of the Board by the Chair and Accounting Officer.

9.2 Draft minutes of meeting of 14 June 2019

The Chair of the Audit Committee presented the minutes of the last meeting and commented that the new external member, Roma Dibua, had made a valuation contribution. The Board were reminded that with Hilary Carty stepping down from the Board, a new trustee member needs to be appointed to the Audit Committee.

9.3 Reserves Policy

The Board reviewed the Reserves Policy, which had been considered and recommended by the Audit Committee, as follows:

- The designation of an additional £100k for the Museum Development, making a total of £1.1 million.
- Maintenance of Free Reserves at £900k

It was agreed that given the flat lining of both GIA and ACE funding and the concerns re Lottery receipts it was still appropriate to hold £900k Free Reserves at this time.

The Board approved the Reserves policy

9.4 Annual Report and Consolidated Financial Statements

The Secretary outlined a last minute change to the accounts. As a result of a recent Supreme Court decision, additional provision is now required in respect of the past service costs of certain members of the Local Government Pension Scheme of which the Horniman is an employer member. This has resulted in an estimated increase in the scheme liabilities of £606,000. The Board approved the accounts subject to this adjustment.

9.5 Health & Safety Report

The Health and Safety annual report was noted by the Board.

10. Capital Projects Board

10.1. Minutes of meeting on 9 May 2019

The minutes of the meeting were noted by the Board.

An update was provided by management on the Butterfly House path. A meeting has been set up with Unigro, the supplier, on 17 July to determine how the path is to be fixed.

The Chair was concerned that this was taking some time to resolve, however it was noted that legal advice had been taken and part of the delay was due to the fact that the path was being monitored over the winter months to determine if the main issue was lack of drainage or a previous water main leak. It was noted that we are still holding £17k retention against this contract.

10.2. Capital budget 2019/20

The capital budget for 2019/20 was approved including the use of £75k funding from Reserves to resolve issues around the Butterfly House if required. The Board accepted the assurances of management that contingency was built into the budget but asked that in future this be split out and shown separately.

11. Visitors Survey

The Marketing Manager gave a presentation on the results of the Visitor Survey.

The following matters were discussed/highlighted:

- It was another record year. Month by month it was similar to other years but it reflects the fact that Colour wasn't as popular as Robot Zoo or Brick Wonders.
- The opening of the World Gallery and Brick Wonders were the defining events of 2018/19. Brick Wonders is already tracking high in 2019/20.
- The World Gallery was more popular than the Natural History gallery in Q2 but was mostly visited by our regular audience. There was a big drop in lapsed visitors in this quarter.
- 60% gave Brick Wonders as their main reason for visiting the Horniman compared to 15% for Colour.
- Audience development targets have been set both in % and volume terms. We are looking at how programming is used to move towards these targets.

- NSEC figures have dropped and this is put down to a number of factors e.g. the weather, World Cup, changes in summer programming. This summer we are focusing on a 'whole day out' and there is a programme of free music events which will hopefully boost this figure.

Trustees noted that not too much reliance should be placed on the statistics as sample sizes are relatively small. It is more important to look at trends over time than fluctuations e.g. BAME remained relatively stable over time.

12. Annual Monitoring Reports

The Board received and noted the reports for 2018/19 monitoring workforce data.

The higher than usual sickness levels and staff turnover were noted. The former is due largely to a handful of long term sickness cases during the year.

Management have reviewed the latter and consider that it is all natural turnover consisting largely of junior level staff leaving to progress their career rather than dissatisfaction with the Horniman.

13. Horniman Museum Enterprises

13.1 Annual review

The annual report was presented by Nico Iacuzzi, HME director.

13.2 Draft minutes of meeting of 22 May 2019

Although the shop, café and own venue hire results are good for the first quarter the results for Suzanne James are down, as are bookings for the rest of the year. This could result in a shortfall in HME results for the year.

The weddings contract is being reviewed and consideration being given to bringing in additional suppliers and a minimum income guarantee.

14. AOB

The Board was introduced to a draft Annual Report which will include case studies and headline statistics at the front of the Report and Consolidated accounts. A link will be sent to trustees once this is on the website.

15. Dates of future meetings

9.30am – 5pm Away day 10 October 2019

10am 6 December 2019

1pm 19 March 2020

1pm 1 July 2020

Minutes ref:	Action	Date due	Who by	Progress
b/fwd	Paper on repatriation to be brought to the Board for discussion	Dec. 19	NM	
b/fwd	Ethical Collections Policy to be brought to the Board for discussion	Dec. 19	NM	
4.2	Bring formal recruitment process to Board for a 'young' trustee	Oct - 19	NM/PT	Update at meeting
8.	Paper on implications of no deal Brexit	Oct 19	PT	Included in papers
9.2	Consider trustee member for Audit Committee	Oct 19	ES/SK	