

**Science Museum Group
Board of Trustees Meeting**
Dana Studio, Level 1, Wellcome Wolfson Building, Science Museum
Wednesday, 27 Jun 2018, 4:00 PM —7:00 PM

Present:	Dame Mary Archer (Chairman) Mr Matt d'Ancona Lord Faulkner of Worcester Ms Sharon Flood Professor Russell Foster Professor Ludmilla Jordanova Professor David Phoenix Mr Anton Valk (by telecon) Dame Fiona Woolf Dr Sarah Dry Lord Willetts of Havant Lord Grade of Yarmouth Mr Simon Linnett Ms Lopa Patel	In attendance:	Mr Ian Blatchford (Director) Mr Jonathan Newby Ms Jane Ellis Ms Lydia Lee Dr Roger Highfield Ms Karen Livingstone (Items 1-7) Ms Judith McNicol Ms Sally MacDonald Ms Jo Quinton-Tulloch Ms Sian Thompson (Board Secretary) Ms Sian Williams (Items 6-7) Mr John Stack (Items 6-7)
-----------------	---	-----------------------	---

INTRODUCTION

- 1 **Apologies for absence**
Apologies were received from Mr Andreas Goss and Professor Brian Cantor.

- 2 **Declaration of interests**
Lord Willetts declared an interest as a member of the UK Research and Innovation Board (UKRI) under item 5 (specifically item 5.5. in the minutes).

CORPORATE BUSINESS

- 3 **Minutes of meeting on 7 March 2018 and matters arising**
- 3.1 The minutes of the previous meeting were approved and signed by the Chairman.
- 3.2 **Matters arising:** It was noted that the Director would be inviting the Secretary of State for Business, Energy and Industrial Strategy to visit SMG sites. The invitation was also being extended to other Ministers.
- 4 **Chairman's Report**
The paper that had been circulated previously was noted. In addition:
- 4.1 The twice-yearly, informal meeting of Advisory Board Chairmen had taken place directly before the Board meeting. Advisory Board membership had been discussed and succession-planning meetings for the current Chairmen and Chairman designates would be set up in due course.

- 4.2 SMG was expecting several new trustee appointments across 2018–19. The recommendation report from recent interviews was currently with DCMS for approval by Ministers and No.10.
- 4.3 The recommendations of the Remuneration Committee had been approved at the closed session between the Board and SMG Director.

5 Director's Report

The paper that had been circulated previously was noted. In addition:

- 5.1 The Director had recently been a judge for the Art Fund's 'Museum of the Year' Award. SMG had also won a GLAMi Award (for the SMG website relaunch) and an Eastern Eye Arts, Culture and Theatre Award (for *Illuminating India*);
- 5.2 An internal staff secondment was being created specifically to oversee and champion SMG's position on issues relating to environmental sustainability. Reusable coffee cups would also be introduced in the autumn for all staff and trustees, as well as being available for SMG visitors to purchase;
- 5.3 Activity in China was at the forefront of SMG's international agenda, partly owing to an exhibition partnership with the Palace Museum in Beijing. It was suggested that the Science Innovation Network (SIN) could be useful allies in China, and that a Government-backed UK-China Fund would be worth further research by SMG; HJ
- 5.4 It was noted that SMG's international strategy would be presented at the Board Strategy Day. It was agreed that it would also be useful to have an overview of SMG's activity and ambitions for China at the Strategy Day; HJ
- 5.5 SMG had recently received encouragement from the Arts and Humanities Research Council (AHRC) to be more ambitious with funding bids. SMG's research strategy was currently being reviewed and refined by the Collections and Research Committee, and would come to the Board for approval in due course;
- 5.6 The Chairman would consider arranging a meeting with the Leader and CEO of City of York Council regarding the York Central development project, and links to local Councillors would also be explored through Westminster; DMA/RFa/JMcN
- 5.7 Options for the cinema operation at the National Science and Media Museum were being explored;
- 5.8 SMG would be introducing a loan moratorium in order to enable the movement of the collection held at Blythe House. SMG had developed a detailed communications plan for this, which paid special attention to key lenders and partners.
- 5.9 Discussions were still underway with the BBC regarding various projects (web and radio, with the latter project being in active development);
- 5.10 The overall effectiveness of the SMG Brand project was noted; with the Board commending the success of its delivery;
- 5.11 It was generally noted that SMG could be more proactive in seeking PR opportunities for the Director and Chairman, both as senior representatives for the organisation and spokespeople for the wider cultural sector (social media, interviews, etc.). The External Affairs and Communications teams were looking at a longer-term strategy to raise SMG's profile in this area. RH

STRATEGIC BUSINESS

Sian Williams and John Stack joined the meeting

6 One Collection: Project Approvals

The paper that had been circulated previously was noted. In addition:

- 6.1 It was noted that SMG's final business case had been approved by Treasury, which had released the final tranche of Government funding for the project;
- 6.2 There were four key points that required approval from the SMG Board, on recommendation of the Finance Committee and the Masterplan and Estates Committee: Extension to Building ONE, fire strategy for Building ONE, delegation to let the construction contract for Building ONE, and underwriting of overall project funds from SMG reserves.
 - 6.2.1 • **Building ONE:** SMG's preferred tenant had the option to commit by September and the risk of not securing a tenant at all was very low due to market demand. It was noted that adding a shell and core extension now would be cost-effective in terms of planning, design and build and was therefore an efficient way to increase the footprint of the building. **The Board approved** the change of scope to Building ONE, to be funded by a loan from DCMS.
 - 6.2.2 • **Fire strategy:** It was noted that a full options appraisal had been conducted on fire suppression systems and the Executive had taken the view that an additional wet sprinkler system would be required. **The Board approved** the fire strategy for Building ONE.
 - 6.2.3 • **Contract authority:** The Board agreed to delegate authority to the Executive to let the contract for up to £27m to construct Building ONE. It was noted that the contract value was estimated at £24m; it was therefore agreed that MEC would review the final tender report and trustees would be notified if use of project contingency would be required. The Finance Committee Chairman asked to be advised if the proposed contract value exceeded £24m. **JE**
 - 6.2.4 • **Underwriting from SMG reserves:** It was noted that a discussion had taken place at FC regarding how SMG might manage financial exposure to the One Collection project cost (fundraising, use of contingency and cost management / value engineering had been discussed). A further discussion was had regarding fundraising options. **The Board approved** the use of SMG reserves to underwrite up to £10m of project costs.

7 Digital Strategy 2018-2021

The paper that had been circulated was noted, and a presentation was given. In addition:

- 7.1 The first phase of the Digital Strategy (2015/17) had mostly focused on infrastructure improvements and consolidation of platforms (most notably a complete refresh of the SMG web estate);
- 7.2 The next phase would focus on enhancing the audience experience, increasing audience reach and enabling audience participation;
- 7.3 SMG would look to create a 'Digital Studio', a large-scale, immersive and interactive space with a high-level of production that would challenge international standards;
- 7.4 Revenue areas such as ecommerce, picture library and retail would be tackled in the next phase of the strategy;
- 7.5 SMG was projected to become a sector leader in terms of collection digitisation (e.g. use of Asset Panda technology);

- 7.6 The Digital Advisory Board was encouraging a more sophisticated approach to the definition of strategic KPIs for the Digital Strategy, by looking at areas of impact rather than focusing on top-level numbers.
- 7.7 **The Board approved** the Digital Strategy 2018–21 as outlined in the paper.

Sian Williams, John Stack and Karen Livingstone left the meeting

COMMITTEE BUSINESS

8 Audit and Risk Committee

8.1 Annual Report of the Audit and Risk Committee

The paper that had been circulated previously was noted. The opinion given on SMG for 2017/18 was 'generally satisfactory with some improvement required.' This was an improvement on the opinion for 2016/17 (mostly due to improvements to estates management across SMG). Overall the report was reflective of a strong control environment.

8.2 SMG Annual Report and Accounts 2017–18

The paper that had been circulated previously was noted. The net movement in funds for the year was an increase of £18.3m (£5.3m in non-expendable reserves and £13m in expendable reserves). These increases related principally to grant funding for major capital projects, the designation of surplus funds for SMG's future plans and activities, and an upward valuation of its property holdings. **The Board approved** the SMG Annual Report and Accounts 2017/18.

8.3 SMG Health and Safety Report

The paper that had been circulated previously was noted and the meaning of 'near misses' and 'undesirable circumstances' was discussed.

8.4 GDPR Update

The paper that had been circulated previously was noted.

9 Finance Committee

9.1 SMG Plan: End of Year Report 2017–18

The paper that had been circulated previously was noted. A discussion was had regarding the level of ambition set out in the deliverables as set out in the plan. The organisation of the report (plan against strategic priorities as defined by *Inspiring Futures*) was considered to be much improved on previous years.

9.2 SMG Management Accounts

The paper that had been circulated previously was noted. The outturn at the end of 2017–18 was a £3m surplus, against a Q3 forecast of £2.3m. It was noted that the operating surplus was sufficient to cover the budgeted deficit in 2018–19 without recourse to existing reserves.

9.3 Reserves and financial exposure on capital projects

The paper that had been circulated previously was noted. The paper set out a range of scenarios for managing financial exposure and formed part of a twice-yearly

update to Finance Committee. It was noted that the Finance Committee considered the current position to be acceptable.

10 Collections and Research Committee

10.1 Board of Survey Recommendations

The paper that had been circulated previously was noted. The Board approved the recommendations.

10.2 Conservation Policy

The paper that had been circulated previously was noted. The Board approved the Conservation Policy.

11 Railway Heritage Designation Advisory Board Recommendations

The paper that had been circulated previously was noted. It was noted that the Penydarren nameplate was not being recommended for disposal. The Board approved the recommendations.

FOR INFORMATION

12 Minutes and reports from Board sub-committees and working groups

The paper that had been circulated previously was noted.

Date of next meeting: Board Meeting and Strategy Day on Tuesday 9 and Wednesday 10 October 2018, Museum of Science and Industry, Manchester

Signed: Myg Arkw

Date: 12 October 2018