

Science Museum Group Extraordinary Steering Committee

7 May 2020, 14:00-15:30

Present:

Mary Archer (Chair)
Sharon Flood
Iain McIntosh
Sarah Staniforth
Steven Underwood
Dave Phoenix

In attendance:

Ian Blatchford, SMG Director
Jonathan Newby, SMG Managing Director
Shri Mukundagiri, SMG Director of Corporate Services
Karen Livingstone, SMG Director of Masterplan & Estates
Sally MacDonald, Director, Science & Industry Museum
Lacie Southon, SMG Board Secretary

1 Introduction

The Chair welcomed members to the first Extraordinary Steering Committee ('ESC'). The Chair thanked the Director and Executive team for the calmness and professionalism shown in unprecedented circumstances and for successfully closing the SMG sites, arranging furloughing, reframing budgets, and responding to DCMS.

2 Apologies for Absence

There were no apologies for absence.

3 Declarations of Interest

It was declared that Sharon Flood has accepted an appointment as Independent Director to the Getlink Board with an effective date of 30 September 2020.

4 Minutes of the Board meeting on 4 March 2020 and matters arising

The minutes of the previous Board meeting were approved.

Matters arising from the minutes:

- **SMG Risk Management Policy:** It was confirmed that a revised Risk Management Policy would be presented for approval at the ESC meeting in June 2020. **(Action: SMu)**
- **Advisory Board Terms of Reference:** It was confirmed that the Advisory Board Terms of Reference would be presented for approval at the ESC meeting in June 2020 to include the revision agreed by the Board in March 2020 to allow Advisory Boards to hold up to three regular meetings per year and an optional strategy day every 2–3 years. **(Action: LS/MA)**

5 Chair's Report

It was reported, following the discussion of the Cass Business School governance review at the March Board meeting, that an action plan based on the Board's comments and recommendations was formulated. It is intended to implement as many of the actions as possible over the coming months.

5.1 It was agreed that the start of the work programme of the Inspiring Futures Strategy Group ('IFSG') would be delayed until the museums reopen and, potentially that commencement would be postponed until the autumn strategy day. It was noted that the four trustees to sit on the IFSG would be decided nearer the go-live time.

5.2 Trustees were thanked for the helpful feedback provided in response to the proposed governance arrangements during the period of sites closure. It was noted that a letter had been sent to Caroline Dinenage, Minister of State for Digital and Culture, setting out the arrangements.

6 Director's Report

It was reported that the Group Exhibitions Board had reviewed the public programme for 2020/21 and the majority of programmes have been moved to spring 2021 at the earliest. This includes postponing the Science Fiction exhibition opening to October 2022, partly as the international touring market is expected to take 2–3 years to recover.

- 6.1 It was noted that COP26 had been due to take place in November 2020 but had been postponed until at least spring 2021. SMG will continue to engage with the UK COP26 ambassadors regarding potential involvement.
- 6.2 It was reported that the Deputy Director continues to lead on the SMG Sustainability Strategy, Policy and Action Plan. SMG has commissioned independent consultants to devise a science-based target to achieve net zero and to inform the strategy.
- 6.3 It was stated that the Government's most recent Budget Statement included an additional £27m of urgent capital funding for DCMS museums. The timing of specific announcements has been delayed but SMG is not losing sight of the capital funding already promised and intends to build on this to produce a compelling case for differential funding in the next Spending Review.
- 6.4 It was reported that the SMG Investment Committee had discussed the shocks in the market and the resulting drop in the valuation of both the Group and Foundation funds. This further highlighted the importance of a diversified portfolio and the excellent counsel that the Investment Committee members provide.
- 6.5 A discussion was had regarding the financial stresses experienced by the wider museum sector and potential implications for SMG as a major lender. There are 70 railway locomotives and carriages on loan to 37 organisations and there is a risk that some heritage railways and museums may fail to ensure the care and security of their collections. The Heritage Railway Association has committed to inform SMG of any developing issues at sites and, with the support of Network Rail, will assist with finding alternative accommodation for vehicles. It was suggested that members of the Railway Heritage Designation Advisory Board would also be able to assist.
- 6.6 It was agreed that the report and recommendations on the investigation into the Chain Bridge Honey Farm incident would be presented at the next ESC meeting. **(Action: JN)**
- 6.7 Detailed planning for the remobilisation of SMG operations was underway and it was reported that the top priority is the safety of both staff and visitors. Amongst the options under consideration is the possible trial openings of some of the museums in August and a meaningful opening in September. Early estimates are that visitor numbers will be at 30%, although these are untested.
- 7 Masterplan & Estate Committee update**
- The paper that was circulated previously was noted. It was explained that sites are closed with very limited access except for security, maintenance, and compliance checks. All Masterplan project construction sites, except for Building One, are temporarily closed and the strategic and business-critical procurement of the Term Maintenance Contract is proceeding following positive feedback from the market.
- 7.1. It was reported that remobilisation plans for each project are being prepared, with a view to starting up works in a coordinated and phased way, subject to operational and estate dependencies, strategic priorities, financial implications, and health and safety considerations.
- 7.2. A discussion was had regarding the timeline of the Blythe House decant and construction on Building One. It was reported that as Blythe House has no visitor-facing considerations it may be possible to reoccupy it sooner than SMG's museums. The team is working closely with the British Museum and V&A on how and when that might be possible. It was added that there is a growing acceptance from DCMS that the original target date for vacating Blythe House may not be met.
- 7.3 It was reported that the SIM Power Hall scaffolding was completed before lockdown began, meaning the building is fortunately protected. The team is using this time to consider the full scope and budget of the project.
- 7.4 The masterplan programme consolidated report circulated previously was noted.

8 Finance Committee and Audit & Risk Committee: Progress Report

A discussion was had on the impact of COVID-19 deficit assumption. It was explained that a three-part plan has been identified to bring the deficit within a manageable level. This includes:

- A zero-based review of expenditure
- Accessing recently announced government grants
- Reviewing reserves with a view to re-designate as appropriate

8.1 A discussion was had regarding reserves. It was suggested legal counsel be engaged to ensure the restricted and designated reserves position is fully understood.

8.2 A discussion was had on furlough. It was noted that one Trustee was not in favour of 'topping up' salaries to 100%. It was suggested that SMG had lower proportions of employees on furlough than other organisations in the sector. It was noted that the first wave of furlough (until end May) did not include casual workers in the headcount. It is likely that in the second wave (until end June) more colleagues will be placed on furlough. **The ESC approved** the recommendation to 'top up' the salaries of staff that are furloughed until the end of June 2020.

8.3 It was reported that SMG continues to work to the agreed timetable to produce the Annual Report & Accounts, with a target date for completion in late June and laying before Parliament in July. A fallback plan has been prepared that allows for signing at the Board meeting in October and laying before Parliament shortly thereafter. It was stated that the National Audit Office has indicated concern over completing audit procedures on pension balances and property valuations with a mid-July laying date and SMG is working closely with them to ensure the implications are understood. The Audit & Risk Assurance Working Group will review the emerging issues in June 2020 and consider the best approach.

8.4 The emerging period 12 management accounts, prior to audit adjustments, were noted. A full set of management reports will be produced following all year-end adjustments and considering any audit adjustments.

9 Collections & Research update

The paper that was circulated previously was noted. It was reported that arrangements have been made to protect the collection during the closure of SMG sites and the sites of the borrowers to whom objects are on loan and this continues to be monitored and developed as required. It was stated that a draft of the Collections Development Policy will be circulated to Collections & Research Committee members for comment.

9.1 Board of Survey Recommendations

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

10 Terms of Reference


It was recommended to revise one point on the ESC Terms of Reference from, 'seek expert advice, or recommend that expert advice is obtained on matters relating to the collection, including acquisition/disposal strategy and valuing of property assets', to instead state; 'advise on matters relating to the collection, including acquisition/disposal strategy and valuing of property assets and seek expert advice where necessary'. **The ESC approved** the recommendation. The revised Terms of Reference would be circulated to the Board. **(Action: LS)**

11 Any other business

It was reported that the British Army is using Locomotion and the National Railway Museum as virus testing sites.

11.1 It was agreed that the next ESC meeting date would take place on 24 June 2020.

Signed by Chair:



Date: 24/06/2020

Action Tracker				
Meeting date	Ref.	Action	Responsible owner	Due date
May 2020	1.	Present revised Risk Management Policy for approval.	SMu	June 2020
May 2020	2.	Present final Chain Bridge Honey Farm report.	JN	June 2020
May 2020	3.	Present revised Advisory Board Terms of Reference for approval.	LS/MA	June 2020
May 2020	4.	Amend ESC Terms of Reference and circulate to the Board.	LS	June 2020