



MINUTES

IN CONFIDENCE

Board of Trustees (2015-07)

Date 1 July 2015
Location IWM London
Present Sir Francis Richards (Chairman)
Lieutenant General Sir John Kiszely (Deputy Chairman)

Lord Ashcroft	Sir Hew Strachan
HE The Hon Alexander Downer	Rob Taylor
Dame Judith Mayhew Jonas	Tamsin Todd
ACM Sir Stuart Peach	Peter Watkins
Sir John Scarlett	Matthew Westerman
	Sir Nick Williams

Diane Lees, Director-General
Jon Card, Executive Director of Collections & Governance
Gill Smith, Board Secretary (minutes)
Graeme Etheridge, Change Director, (item 7)

The Chairman extended a warm welcome to Ms Todd and Mr Westerman, who were attending their first meeting. At his invitation they introduced themselves to other Trustees.

1 Apologies

Apologies for absence were received from Rear Admiral Amjad Hussain and Jonathan Watkins and from the High Commissioners for Canada, India, New Zealand (represented by Mr Taylor), Pakistan, South Africa and Sri Lanka.

2 Conflict of Interest Declaration

No Trustee had any conflict of interest to declare relating to matters on the current agenda.

3 Membership

- 3.1 The Chairman reported formally that the Prime Minister had appointed Tamsin Todd and Matthew Westerman to serve as Trustees, each for a period of four years from 1 April. He added that appointments to vacancies left by Lord Black and Jonathan Watkins would be taken forward over the summer.
- 3.2 Sir Francis paid tribute to Jonathan Watkins for whom this would have been the last meeting prior to his retirement in July. Sir Francis hoped that there would be a chance to say farewell at the private view for the Gaza commission exhibition in the autumn.
- 3.3 Trustees APPROVED the appointment of Matthew Westerman to be a member of the **Audit Committee** for an initial period of three years with immediate effect.

- 3.4 Trustees APPROVED the appointment of Tamsin Todd to be a Director of the **IWM Trading Company Ltd** for an initial period of three years with immediate effect.
- 3.5 Trustees APPROVED the appointment of Jenny Waldman, Director of 14-18 NOW to be a co-opted member of the **Art Commissions Committee** (ACC) for an initial period of two years with immediate effect.
- 3.6 Trustees noted that Jonathan Watkins' retirement from the Board would leave the ACC without a Chair, and AGREED that until a replacement art Trustee was appointed, Ms Lees should take over the Chair.

4 Minutes of the Meeting held on 4 March 2015 and Matters Arising

- 3.1 The minutes of the meeting held in March 2015 were agreed and signed.
- 3.2 A redacted version of the March minutes, for publication on the IWM website, was noted.
- 3.3 There were no matters arising from the previous meeting, however Trustees noted that the opportunity to meet at IWM Duxford had been deferred until September 2015.

5 Annual Report and Accounts 2014/15

- 5.1 Trustees considered the draft Annual Report and Accounts for the year ending March 2015 which were presented for Trustees' approval. Introducing the accounts, Mr Card referred Trustees to the document which provided assurance to the Board of the reconciliation of the accounts to the management accounts as presented at item 13 of the agenda.

In addition, Mr Card reported that:

- The Audit Committee had met at the beginning of the week to consider the annual report and account
- NAO had completed the audit of the accounts. They had raised no issues of substance but had made one small adjustment to the wording of the annual report
- DCMS had approved the content of the document

Mr Card drew attention to the financial performance reported at p 25 which demonstrated a very successful year in which earned income represented 38% of the budget and the Trading Company's contribution had doubled.

- 5.2 Trustees were informed of a point of administration regarding the signing off of the account by the Auditor and Comptroller General. This related to a Cabinet Office Protocol for approval of staff exit payments; it was a government-wide issue and a matter of delay rather than threat to the account. The Director-General had written to the Permanent Secretary in an attempt to expedite the matter.
- 5.3 Sir John Kiszely, who had chaired the Audit Committee meeting, reported that members had noted the very impressive achievements recorded in the annual report. They had found IWM to be in a sound financial position and been satisfied that the Governance Statement – at page 44 of the Report - provided the necessary assurance on internal control. The Committee recommended the Annual Report and Accounts to Trustees without reservation.
- 5.4 The Board APPROVED the Annual Report and Accounts and AGREED that the Chairman sign them.
- 5.5 The Board queried whether the excellent trading figures might have an impact on government funding going forward. Ms Lees responded by outlining the recent financial submission to DCMS, which included items that would be unsustainable without continued grant in aid as well as a range of scenarios based on 5% or 10% cuts. In the course of discussion Trustees noted:
- It was unclear whether there would be a differentiated settlement across the sector

- IWM was in government's sights owing to the contribution to the FWW centenary
- 5% reduction in funding was built into CP15. Anything more would require serious and difficult decisions to be taken
- Ms Lees would let Trustees know if she needed to take advantage of any proactive assistance they offered
- *Information has been exempted under Section 36 of the Freedom of Information Act 2000*
- The new Secretary of State would be visiting IWM later in July

6 Strategic Development Progress Review

The Chairman referred to the report which had been circulated and reminded the Board that a review of progress against recent strategy documents had been a suggestion from the away day in February.

Trustees noted with approval progress being made on the estates, commercial, partnerships and collections development strategies as well as the position in regard to financial sustainability.

7 Change Programme Update

- 7.1 The Chairman invited Change Director, Graeme Etheridge to join the meeting and to draw out the main points of his progress report which had been circulated for information. Trustees noted that recruitment of two new Executive Directors was underway; that the team was continuing to work with the Trade Unions and that a review of the revised structure would be carried out in the autumn.
- 7.2 Mr Etheridge reported that the new structure had been successfully tested in the last three months with the successful delivery of the May air shows at IWM Duxford; new hours of operation in the Research Room; the introduction of a new collections enquiry system with a good reply turnaround so far; and the development of a new exhibition due to open at IWM North on 9 July.
- 7.3 In response to questions about the new HR Strategy, Trustees established that this was unlikely to come to the Board before March 2016. There was still a huge amount of work to be done on succession planning, selection, training and development and appraisal. Mr Etheridge noted that dynamic workforce management plans were being introduced across government departments.
- 7.4 Sir Stuart Peach complimented the team on the transition to the new structure. He reiterated that the IWM Change Programme had been an exemplar and had found the process very well managed, adding that a reward structure for extraordinary and outstanding performance was also in hand.
- 7.5 The Chairman expressed the Board's gratitude to Sir Stuart for his ongoing support for the Change Programme and thanked Mr Etheridge for his comments.

8 Risk Management Review

- 8.1 Trustees carried out their annual review of risk management and the Museum's strategic risk register. Chair of Audit, Sir John Scarlett remarked that his committee reviewed risk at every meeting. There were currently four risks evaluated at red, and the risk relating to the Transformation of IWM London had been closed.
- 8.2 In reviewing the risk evaluations and direction of travel, Trustees concluded that risk 1, financial resource, in light of discussion at item 5 above, would remain at red for the foreseeable future.

Security – both IT and physical – was discussed at length in the context of the red rating of risk 9, Business Interruption. Ms Lees reported on measures taken to mitigate the

risk, including live practical exercises, and Sir John affirmed that management took the threat very seriously indeed.

Action: Assistant Director, Security & Visitor Services and Chief Information Officer to present to the Board at their meeting in September

In response to a question about succession planning, Ms Lees confirmed that some gaps in areas of expertise and subject knowledge would need to be filled. Staff were also being provided with training and development to ensure that they could publicly communicate in their areas of expertise.

9 Collections Review: Acquisition & Disposal

- 9.1 The Board considered the most recent recommendations for acquisitions and disposals as a result of the continuing Collections Review process.
- 9.2 Trustees APPROVED the acquisition of Supermarine Spitfire Mk.1a, serial N3200. It was noted that the aircraft was to be acquired but not accessioned as it was to be maintained as a flying example. The Spitfire was 100% authentic, had good provenance, a fascinating history and was an exceptional piece of restoration. It would be IWM branded and known as the Duxford Mk1.
- 9.3 In accordance with the Acquisitions and Disposal Policy and subject to further approval by DCMS and The National Archives, as necessary, Trustees APPROVED the disposal of eleven film collections; six duplicate documents from the Second World War; and a British Second World War Quad 20mm AA Gun.
- 9.4 Trustees APPROVED the revised Acquisitions and Disposals Policy, noting that this had been re-drafted to a new template required for Accreditation. Levels of delegated authority had been revised to reflect the new organisation structure, but there was nothing new of substance within the policy.

10 Reports from Committees

Trustees noted the reports from their committees as recorded in the paper which had been circulated. In addition, Sir John Scarlett drew attention to the report received by the Audit Committee on Airfield Safety at IWM Duxford which provided not only good assurance in terms of security but also an impressive record of the quality of work being undertaken. Sir John Kiszely also reported on the assurance provided by Internal Audit at the recent meeting.

11 IWM Projects: Progress Report

- 11.1 Trustees noted the rate of progress achieved against current major projects across the organisation.
- 11.2 In particular, Ms Lees provided a further update on the Holocaust Commission proposals. She had met Sir Peter Bazalgette, Chair of the Holocaust Foundation, which was advising the Department for Communities and Local Government, and Trustees were pleased to note that the next stage of the process would be within the public domain, transparent and accountable.

Information has been exempted under Section 36 of the Freedom of Information Act 2000

- 11.3 The Board noted that the timeline for phase 2 of the Regeneration programme would be reported at the meeting in September and that presentation of the business plan would be deferred until December.

12 Director-General's Report

The Board received with approval the Director-General's Report which comprised a record of the Museum's activities for the final quarter of 2014/15, and the supplementary reports covering Acquisitions and Loans. Trustees noted in particular the record admission figures for the year and the museum's success at the Museum & Heritage and FOCAL awards.

In addition, Ms Lees reminded Trustees that there had been an in-year budget reduction of £66,000 following the general election and reported that visitor figures were being closely monitored after a dip in the first quarter of the current year.

13 Performance and Financial Review

The Board congratulated management on the excellent results for the financial year 2014/15, noting at the same time that the new year was going to be much tougher and that the forecast would be reviewed at the end of quarter 1.

14 Date of Next Meeting: 2 pm Wednesday, 16 September 2015 at IWM Duxford.

15 Future Agenda

Primary items of business on the next agenda would be a presentation from Head of Art, Kathleen Palmer on the acquisition of works for IWM's art collection; a presentation from the Director of 14-18 NOW on their centenary programme; and a presentation from the Assistant Director, Security and Visitor Services and Chief Information Officer on Security at IWM.

16 Any Other Business

The Chairman reported that Sir Stuart Peach would succeed Sir Peter Squire as President of the American Air Museum in Britain. Trustees recorded their deep gratitude to Sir Peter for all that he had done not only for the AAM but also for IWM before that.