

GOVERNANCE OF CULTURAL INSTITUTIONS

Seminar • 26 March 2013

Royal Irish Academy, 19 Dawson St, Dublin 2



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The seminar held in the Royal Irish Academy on 26 March 2013 was designed to inform key stakeholders about current international practice and recent developments in governance, in the light of the government's proposals to change the governance of Ireland's cultural institutions.

The seminar was opened by the President of the Royal Irish Academy, Professor Luke Drury. The Minister for Arts, Heritage and the Gaeltacht outlined his plans to streamline the governance and administration of the National Library and the National Museum, and changes in the appointment of boards of cultural institutions. Summaries of all the papers and the entire text of the Minister's speech are appended to this report.

Speakers:

Professor Michael Anderson

National Library of Scotland

Dr Willem Bijleveld

Director, National Maritime Museum, Amsterdam

Mr Pat Cooke

UCD School of Art History and Cultural Policy

Dr David Fleming

Director, Liverpool Museums

Dr Aine Gibbons

Vice-President for Development, UCD

Dr Guido Gryseels

Director, Royal Museum for Central Africa, Belgium

Dr Michael Ryan

Member, Royal Irish Academy

Mr Chris White

CEO, Boardmatch Ireland

The main conclusions to emerge from the papers (summarised below) and the discussion were as follows:

- The prevailing trend internationally has been to remove national cultural institutions from the detailed control of the civil service, giving them an independent corporate status which is consistent with government strategy.
- Autonomy has fostered innovation and resulted in rising attendances and more imaginative programming. An increasing trend has been the promotion of intercultural dialogue through museums and the adoption of more socially aware outreach ventures.
- Autonomous status makes it easier for cultural institutions to fund-raise: foundations and private donors are often reluctant to give money to government institutions.
- Board members are generally not remunerated and members should be selected on the basis of expertise.

We wish to thank the Minister for Arts, Heritage and the Gaeltacht for speaking at the seminar; the President of the Royal Irish Academy for agreeing to host this event, and meet the costs; the speakers, and the staff of the Royal Irish Academy, especially Gilly Clarke.

Mary E. Daly MRIA

Michael F. Ryan MRIA

DISCUSSION POINTS



Boards of cultural institutions

- The relationship between the Chair and the Director-General is critical.
- It is important that the board and the Director-General are aware of their respective roles. While management responsibility is delegated to the Director-General, the board is accountable. The board should take care that it is not 'captured' by the management of the National Cultural Institution (NCI).
- While there was pressure to reduce the size of boards, several speakers from the floor expressed the opinion that the optimal size was 9–12 members.
- There is a continual tension between selecting a board on the basis of expertise/vested interests and one based on more generic expertise. Likewise there is a tension between ensuring diversity (gender, class, ethnic) on a board and creating a board with relevant expertise.
- Opinions were divided on the merits of *ex-officio* members.
- There was broad opposition to representatives of a government department or staff serving on boards.
- There was a general agreement from Irish attendees and external speakers that board members should not be remunerated.



The authority exercised by NCIs and their boards

- There was general agreement that autonomy was essential if NCIs were to attract philanthropic donations.
- Real autonomy demands a degree of courage on the part of a board; some boards fail to exercise autonomy, preferring to seek approval from the relevant government department.
- The governance of NCIs must be sufficiently powerful to withstand any inappropriate leverage on the institution, while engaging with a changing political environment.
- Fund-raising should be handled by a group that is distinct from governance.
- Shared services between NCIs are generally delivered under the aegis of a supervisory committee. In the Netherlands the government provided financial incentives to encourage cultural institutions to implement shared service agreements.
- The proposed abolition of the boards of the National Library of Ireland and the National Museum of Ireland and their replacement with one advisory board raises very complex issues.



Evaluating national cultural institutions

- NCIs have diverse missions, and their stakeholders include the public and an academic community. Attendance numbers should not be the sole criterion of success: qualitative measures are also significant, even compelling; the research mission of NCIs is also important.
- No stakeholder group is paramount.
- NCIs are increasingly important in the marketing of a city/country to visitors.
- The process of expanding attendance and involvement in NCIs by under-represented communities will take many years.

THE NATIONAL LIBRARY OF SCOTLAND ACT 2012: OUTCOME OF TWO DECADES OF DEBATE ON GOVERNANCE

Professor Michael Anderson National Library of Scotland

1. In 2012 the Scottish Parliament introduced new legislation governing the National Library of Scotland. The process involved extensive consultation with key stakeholders. The main cultural institutions – the National Gallery, the National Library and National Museum – are non-governmental public bodies. Their functions are defined by statute, but the boards have considerable autonomy.
2. Considerable progress has been made in sharing back-office functions: finance, HR, IT and fund-raising in North America.
3. Non-government status is essential to enable fund-raising. The National Library of Scotland has been very successful in securing funding for major acquisitions but ‘donors do not wish to substitute their funds for government funds’ and frequently ask whether the library is ‘part of government’.
4. Role of boards:
 - Ensuring that the organisation is thinking strategically and meeting its objectives.
 - To monitor, challenge and support management.
 - Maintaining a relationship with other cultural institutions and a knowledge of developments in this sector at home and abroad.
 - Providing informal consultancy to the institutions; raising their profiles and assisting with fund-raising.
5. The distinction between the role of a National Library and that of a National Gallery or National Museum:
 - The primary focus of galleries and museums is on visitors, whereas the primary purpose of a National Library is to support research (in a broad way) and provide resources to various stakeholders.
6. Board membership:
 - Different organisations need a different mix of membership: some expertise, such as audit, is common to all, but there is a role for expertise that reflects key stakeholders.
 - The three Scottish boards have 9–15 members each (unpaid): the minimum number necessary to supply the appropriate skills mix.
 - Board members must have credibility with key stakeholders.
 - Trust and informal networking and consultation are essential.

THE DUTCH NATIONAL MUSEUMS: 20 YEARS OF AUTONOMY

Dr Willem Bijleveld Director, National Maritime Museum, Amsterdam

1. The autonomy given to NCIs in the Netherlands since 1995 has significantly improved their performance.
2. Visitor numbers have increased by 65 per cent.
3. The institutions have adopted a much more dynamic approach.
4. Before 1995 policy was determined by the Ministry of Culture; budgets were centrally determined and all revenue from tickets went to the Ministry of Finance.
5. Since 1995 the NCIs have been autonomous 'private' foundations subsidised by the Ministry of Culture, controlled by a Director-General who is appointed by a Supervisory Board.
6. Until 2010 Supervisory Boards were appointed by the Minister.
7. Since 2010 each Supervisory Board appoints new members.
8. Policy is set by the Supervisory Board, taking account of some broad guidelines given by the Ministry.
9. The Director-General and staff define policy.
10. All income raised stays with the NCIs.
11. NCIs are required to draw up a Strategic Plan every 4 years. The Plan is approved by the Council of Culture; the NCI is awarded an operational subsidy for the 4 years based on this Plan.
12. Advantages of this system:
 - NCIs are responsible for policy and the well-being of the institution.
 - Autonomy makes it possible for NCIs to be flexible and market-oriented, and to partner with sponsors, foundations and private donors.
 - The disadvantage is that while Government no longer has the practical experience of running cultural institutions, it still expects to be in control.

A TURBULENT TALE OF GOVERNMENT AND GOVERNANCE: A REVIEW OF DEPARTMENTAL AND AGENCY STRUCTURES FOR THE MANAGEMENT OF CULTURE IN IRELAND

Mr Pat Cooke UCD School of Art History and Cultural Policy

1. Since the appointment of a minister with full cabinet-level responsibility for the arts and culture in 1993, there have been five changes to the departmental title that reflected alterations to its functional areas of responsibility.
2. There have also been a number of changes to public agencies with responsibilities for culture.
3. The most significant agency-level changes have been: the founding (1983), abolition (1987) and re-establishment (1993) of the Film Board; the founding of Dúchas, the Heritage Service (1996) and its abolition (2002); the granting of corporate autonomy to the National Museum and Library under the National Institutions Act (1997); and the proposed abrogation of these provisions (2013).
4. This pattern of erratic change reflects a lack of consistency and clarity in policy-making for culture at governmental level.
5. To bring clarity to the analysis of policy options, a policy tools approach based on Schuster's proposal of five tools for cultural governance is proposed.¹
6. In particular, clarity is needed to distinguish between the role of the state in owning and operating cultural facilities and assets and in regulating them.
7. Given the complexity of cultural policy formation in the contemporary world, where nation states must deal with culturally diverse populations in an increasingly globalised world, the need to equip senior policy-makers with better training in cultural studies and cultural policy studies was also identified as a prerequisite of better policy-making.

¹ J. M. Schuster et al. (1999) *Preserving the Built Heritage: tools for implementation*, Salzburg.

CHANGE MANAGEMENT

Dr David Fleming Director, National Museums Liverpool (NML)

1. Great governance is hard to achieve and governance arrangements can sometimes be anarchic.
2. The NML is an important complex of museums in Liverpool and also the largest cultural organisation in NW England.
3. It has a strong economic impact and has benefited from investment of more than stg£100 million.
4. Between 2001 and 2013 it has gone through massive change organisationally and otherwise, with a particular transition from a traditional museum ethos to one led by a commitment to social justice.
5. Such a change needed strong leadership to achieve.
6. The NML is funded by the public and the return for them is a museum service that is educational and socially committed, with a diverse workforce working for a diverse community and operating to highest professional standards.
7. NML works in an ethical manner and espouses partnership.
8. Its Chair and Board are now supportive of the policies.
9. It has more than 3 million visitors and hosts over 300,000 educational visits per annum.

GOVERNANCE AND FUNDRAISING: A FUNDRAISER'S PERSPECTIVE

Dr Aine Gibbons Vice-President for Development, UCD

1. The government's proposals for changes in the governance of cultural institutions see fundraising as a major role for future Board members.
2. This decision has implications for the recruitment and composition of future Boards.
3. There is a need to identify members with the necessary skills and understanding of the process.
4. There is an expectation internationally that board members of philanthropic organisations will support their institution (financially), and this has implications for the recruitment of members. The challenge will be to bring new members onto boards, to find the mix of individuals who collectively will make a difference. The role of board members is to open doors and review lists of potential donors.
5. Cultural institutions must present a clear argument to the public if they are to attract philanthropic funding. They should also be realistic about the amount of support that they can attract within Ireland.
6. It takes time, attention and a great deal of planning to build up and engage a pool of donors to the point where they will make a donation. Sufficient time must be given to assist arts organisations to prepare and plan before philanthropic income is considered a notable proportion of their overall income.
7. There is a shortage of experienced fund-raisers in Ireland.

GOVERNANCE AND MANAGEMENT OF FEDERAL CULTURAL AND SCIENTIFIC INSTITUTES IN BELGIUM

Dr Guido Gryseels Director, Royal Museum for Central Africa, Tervuren, Belgium

1. Belgium is a politically complex country with a federal structure and a large cultural sector.
2. Culture, education and research are part of the competences of the Flemish, French and German communities.
3. Large institutions in Brussels remain under federal control but there is no federal minister of culture. The purely cultural institutions such as Opera, National Orchestra or BOZAR (Centre for Fine Arts) are under the control of the Prime Minister's Office; the federal museums are under the control of the Minister for Science Policy.
4. Regional cultural institutions are in the control of their respective Ministries of Culture, which have strong administrations. Policies are underpinned by decrees on arts, culture, heritage and masterpieces.
5. The 'Big Seven' cultural and collecting and art institutions in Flanders are structured by agencies with governing boards that include government nominees and a government commissioner. Management is led by a Director or Director-General. Institutions have a strong policy framework. Directors serve five-year performance-related contracts. Board members are unpaid. There are three layers of governance:
 - General membership: responsible for approving accounts and keeping a check on the Board of Trustees
 - Board of Trustees: responsible for strategy, policies, hiring and firing of DG, crisis management, Control Directorate
 - Management: responsible for operationalization of the strategy and day-to-day management.
6. A programme of review and reform of governance and management of federal museums and federal scientific institutes is under way. Various solutions are being explored.

GOVERNANCE ABROAD AND AT HOME

Dr Michael Ryan MRIA

1. Concern about boards and their functioning is associated with the corporate misbehaviour of recent years which has caused such a financial disaster for the country. It is not obvious that all staff want autonomy for cultural institutions.
2. However, personal experience in going from a Civil Service institution to an autonomous board was positive – greater speed in decision-making, greater flexibility in planning, control of budget and IR/HR locally were all major advantages.
3. Modern museums started to develop in Europe about three hundred years ago and have adapted to many circumstances – many born out of war, revolution, colonialism or paternalistic government.
4. Over wide swathes of the world, museums and other cultural institutions are governed by voluntary boards.
5. The model is not confined to the Anglophone world but exists at national level in France, Germany and parts of Scandinavia, and in the Netherlands and Belgium.
6. The model of the all-powerful and long-serving Director is a relic of the past. Vast institutions such as the Smithsonian and the Louvre have strong boards.
7. That model has proved successful in developing new institutions and overseeing older, established ones.
8. Culture belongs to the people; governments are not the owners.
9. In some parts of the world historical and archaeological collections have acquired the status of title deeds-in-kind of nationhood. In Ireland, probably uniquely, this has been made explicit in law by the decision of the Supreme Court in the Webb v. Ireland (Derrynaflan Treasure) case.
10. There is widespread misunderstanding of the role of boards and the distinction between governance (clarifying mission, setting policy and goals, review and making of major investment decisions) and the role of executive – operational management in cultural institutions.
11. Boards that attempt to micromanage an institution are by definition failures.
12. The CEO requires a charter of operational freedom within well-understood parameters.
13. Chair and CEO should forge a close working relationship.
14. Governance always implies a duty of trusteeship and care. It is not the duty of a government appointee to take instruction from government. A board member must always act independently in the public interest, and especially in the interest of the institution entrusted in part to his/her care. It may be that such a governor has a duty to oppose a direction from government where such a direction conflicts with the best interests of the institution and its fundamental responsibilities.

GOVERNANCE FOR ARTS AND CULTURAL ORGANISATIONS IN IRELAND

Mr Chris White Chief Executive, Boardmatch

1. Boards of NCIs are disproportionately representative of the sector.
2. Boards for different institutions require different ranges of skills.
3. A skills audit is required for each NCI.
4. The current reforms are finance-driven and are unlikely to encourage philanthropy, as potential donors feel that government should look after its own institutions.
5. NCI boards must have clarity of purpose over matters such as strategic policy, performance management, finance and human resources.
6. Boards of NCIs will face challenges in working with government – especially in the area of autonomy.
7. The commencement of the Charities Act 2009 will bring challenges to not-for-profit entities including the issue of board remuneration and associated bodies such as ‘Friends of ...’.
8. The sector should have a Fitness and Probity Code modelled on that in force for the banking sector.

SPEECH BY MINISTER JIMMY DEENIHAN

Department of Arts, Heritage and the Gaeltacht

Distinguished guests, ladies and gentlemen. It is a great pleasure to be with you this afternoon. I am sure that you have all found the first two sessions to be very informative in providing great insight into the various governance arrangements in place for cultural institutions internationally.

I welcome today's seminar as an exploration of governance internationally and of examples where institutions have reinvented themselves so as to service the public better. In the context of the Government decision arising from the Public Service Reform plan, this is also a timely event, and I look forward to reading the report of today's discussions.

I am particularly delighted that the Royal Irish Academy is hosting this seminar. The Academy is an all-Ireland, independent, academic body that promotes study and excellence in the sciences, humanities and social sciences.

It is one of the oldest learned societies in Ireland, and it contributes very significantly to the development of higher education, research and development, and innovation policy in Ireland.

This Academy draws upon the expertise of the network of scholars, thinkers, researchers and practitioners within its membership, and Academy Committees, to inform its contributions on policy issues. It also provides important advocacy for the interests of the scholarly and research communities in the sciences, humanities and social sciences.

Many people are not aware of the huge contribution the Academy historically made to the infant National Museum of Ireland. The Academy held a magnificent collection of antiquities, which included some of the country's best-known treasures, such as the Cross of Cong, the Tara Brooch, and the Ardagh Chalice, some of which had been donated or bequeathed to the Academy, others bought through subscriptions from the individual members.

This whole collection was transferred in 1890 to what is now the National Museum of Ireland, with the Academy retaining custody under certain conditions. The Academy's collection forms a magnificent centrepiece to the amazing cultural collection in the National Museum, exemplified very tellingly in the History of Ireland in 100 Objects.

Today's seminar offers an opportunity to hear how cultural institutions are governed in other EU countries and around the world. The role of cultural institutions has changed in recent years and it will be particularly interesting to learn how other countries have updated their governance structures to respond to contemporary needs as they see them.

As Minister, my priority is to ensure that – especially at a time when resources are very constrained – our cultural institutions can operate to the highest standard. In progressing a range of reforms at these institutions, I want to help them run more efficiently, provide a better service to the public, and raise funds independently of Government.

The reforms that I am moving forward include:

- Streamlining boards and advisory councils with lower numbers and all serving without fees;
- Establishing an independent recruitment system for board membership;
- Encouraging co-operation between institutions, in a real and practical way, across a range of services including communications, procurement, security, retail services and marketing;
- Making a greater use of my Department to provide supports like HR, IT and legal services so that some institutions can focus on the core task of providing services to the public and managing their important collections; and
- Encouraging organisations to proactively attract philanthropy and fundraise – nationally and internationally – to bolster the funding they receive from the taxpayer.

Legislation is being prepared to implement the Government decisions as they apply to the range of cultural institutions that formed part of the Public Service Reform plan. Some of the decisions that will be implemented in this new legislation will be:

- To scale back the boards of the National Gallery of Ireland, IMMA and the Crawford Gallery to a maximum of 9 members each, including the Chair, all serving on a *pro bono* basis;
- To ensure that these three boards have joint responsibilities in relation to the combined delivery of shared services, and meet in plenary session twice a year to oversee delivery of this shared services agenda;
- To ensure that appointments by the Minister of the day to these boards will have regard to an independent assessment process, based on a skills matrix to be drawn up by the Minister and managed through the Public Appointments Service;
- To retain the National Archives within the ambit of the Department of Arts, Heritage and the Gaeltacht with a statutorily independent Director;
- To put in place a similar statutorily independent model for the Director of the National Library and the Director of the National Museum;
- To retain the National Archives Advisory Council, with a reduced membership operation *pro bono*;
- To deploy the existing National Archives Advisory Council model to the National Library and the National Museum; and
- To ensure that this new Advisory Council will have a specific role in relation to promoting fundraising and philanthropic opportunities in respect of capital and development projects, international linkages and partnerships.

In this, it is important to make absolutely clear that these reform measures will not remove the autonomy and independence of any of our cultural institutions. The autonomy and independence of the Directors of institutions will be given a clear statutory underpinning in the legislation that I will bring forward, and this is, I believe, of crucial importance to the effective operation of our cultural institutions in the 21st Century.

I also believe that our cultural institutions should be in pursuit of alternative sources of funding, both from effective commercial activity and from fundraising from philanthropic trusts and individuals. Some of the institutions have enjoyed success in this regard and I am ambitious to foster this across the sector.

I am currently working on the heads of legislation to give effect to these changes. I am working closely with the Directors of the National Cultural Institutions to refine the legislative proposals. Today's proceedings are timely and I look forward to studying the conclusions.

Our National Cultural Institutions engage with and support the performing arts and contemporary art practice, and provide access to the intellectual, social and historical record of life in Ireland. They possess a unique heritage collection of paintings and sculpture, art, archaeological, historical, literacy and scientific collections; they are rightly regarded collectively with great appreciation and affection by the public.

I am ambitious that they should be valued as they ought to be for their great contribution to the educational, cultural, intellectual, social and economic life of our country and that they should have the benefit of the standing and esteem in the public policy formation that the equivalent institutions enjoy in our partner countries in the European Union.

Finally, I would like to thank the Royal Irish Academy for convening this seminar. The Academy has played a significant role in the creation and governance of our cultural institutions and the preservation of our national heritage, and as Minister I welcome its continuing interest in this important matter.

ATTENDANCE LIST

Michael Anderson University of Edinburgh
Mary Apied President, TCD Foundation
Willem Bijleveld Director, National Maritime Museum, Amsterdam
Marie Bourke National Gallery of Ireland
Olive Braiden Chair, Board of The National Gallery of Ireland
Pádraig Breatnach MRIA Dublin Institute for Advanced Studies
Sarah Bredin University College Dublin student
Abdul Bulbulia National Gallery of Ireland Board
Tony Candon National Museum of Ireland
Jane Cantwell Incoming President of Library Association of Ireland
Andrew Carpenter MRIA University College Dublin
Pat Cooke School of Art History & Cultural Policy
Ian Cornelius
Fionnuala Croke Director/CEO, The Chester Beatty Library
Catriona Crowe MRIA National Archives Ireland
Brian Crowley Irish Museums Assoc/Pearse Museum
Mary Daly MRIA University College Dublin
Barbara Dawson Director, Hugh Lane Gallery
Mairin de Bruin
John Donnelly Former Chairman of Deloitte
Dervilla Donnelly MRIA Dublin Institute for Advanced Studies
Oliver Dowling Art Adviser, Hugh Lane
Luke Drury MRIA President, RIA
Gordon Farrell National Library of Ireland
John FitzGerald University College Cork
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Penelope Kenny Arts Governance
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Felix Larkin Academic Director, Parnell Summer School
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Owen Lewis Chairman, Board of Management RDS
Kevin Lonergan Department of Arts, Heritage and the Gaeltacht
Seamus Lynam Acting Director, The National Museum of Ireland
Hugh Maguire Director, Hunt Museum
Frances McGee National Archives of Ireland
Declan McGonagle Director, NCAD
Eoin McGonigal Chairperson, IMMA
John McGrane Director, National Concert Hall
Clare McGrath Chair OPW, and National Gallery of Ireland Board
James McGuire MRIA
Bryan McMahon Chairman, Board, The Abbey Theatre
Pauline McNamara Royal Irish Academy
Nigel Monaghan National Museum of Ireland
Barry Murphy MRIA Retired Chairman, OPW
Peter Murray Director, The Crawford Gallery
Carmel Naughton MRIA
Conor Newman Chairman, The Heritage Council
Patrick Nolan
Niall Ó Donnchú Assistant Secretary, Department of Arts, Heritage and the Gaeltacht
Brendan O Donoghue MRIA
Ragnall Ó Floinn MRIA National Museum of Ireland
Eimear O'Connor
Colette O'Flaherty National Library of Ireland
Joyce O'Connor President Emeritus, National College of Ireland
Donna Marie O'Donovan University College Dublin student
Gina O'Kelly Irish Museums Association
Gobnait O'Riordan University of Limerick Library Director
Martin O'Sullivan Finance Director & Company Secretary, Arts Council
Carmel O'Sullivan Associate Librarian, University College Dublin
Deirdre Patton University College Dublin student
Andrew Power IADT
Patricia Quinn Science Gallery International
Sean Rainbird Director, The National Gallery of Ireland
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Isabell Smyth Heritage Council
Roger Stalley MRIA Trinity College Dublin
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