

No 227

THE NATURAL HISTORY MUSEUM
AT A MEETING ON
TUESDAY 22 NOVEMBER 2011
AT 9.30 A.M.
AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES

Oliver Stocken (in the Chair)
Daniel Alexander QC
Professor Sir Roy Anderson FRS FMedSci
Louise Charlton
Professor Christopher Gilligan
Professor Alex Halliday FRS
Ian Henderson CBE
Professor Sir John Holman
Dr Derek Langslow CBE
Professor Georgina Mace CBE FRS
Sir David Omand GCB

In Attendance

Dr Michael Dixon	Director
Sharon Ament	Director of Public Engagement
Neil Greenwood	Director of Finance & Corporate Services
Professor Ian Owens	Director of Science
Joe Baker	Special Adviser to the Director
Rachael Castles	Special Adviser to the Director
Frances Allen (Minutes)	Executive Assistant to the Director and Secretary to the Board
Beth Stone	Head of Face-to-Face Learning
Ali Thomas	Volunteers Project Manager, Organisational Learning

1373 APOLOGIES FOR ABSENCE

Apologies for absence were received from Professor David Drewry. The Chair welcomed Professor Sir John Holman to his first meeting of the Board of Trustees. Sir John, an Emeritus Professor of Chemistry at the University of York and Senior Education Adviser for the Wellcome Trust, had been appointed to the Board by the Prime Minister for a period of four years from 19 September 2011. The Chair also welcomed Professor Ian Owens and Frances Allen to their first formal meeting of the Board of Trustees. The Board wished to formally record its thanks to Professor Phil Rainbow for doing an excellent job in his role as Interim Director of Science.

1374 MINUTES OF THE MEETING OF 5 JULY 2011

The minutes of the meeting of the Trustees held on 5 July 2011 were confirmed as a true record.

1375 MATTERS ARISING FROM THE MEETING OF 5 JULY 2011 (TP 11/32)

All items of significance were addressed under the current agenda.

1376 CHAIRMAN'S REPORT

Trustees noted that it was Professor Mace's final meeting, since she will retire from the Board on 6 February 2012 after the maximum two terms. On behalf of the Board, the Chairman thanked Professor Mace for her contribution to the work of the Museum since her appointment in 2004. In particular, Professor Mace has assisted the Museum in various recruitment processes and has provided expertise and advice in relation to human remains issues.

Board appointments: A request for the reappointment of three Board Members has been submitted to DCMS and it is envisaged that a decision will be known by the end of the year. The process to recruit a replacement for Professor Mace is underway and the draft role specification is currently with DCMS awaiting the Minister's approval. Professors Anderson and Gilligan have accepted the Chair's invitation to serve on the Nominations Committee for this process and an Independent Assessor has been assigned to this campaign by DCMS. If the role specification is approved in the near future we will be on track to interview in January and have Professor Mace's successor in place by February 2012.

Establishment of an Independent Trust: Plans are advancing to establish an independent trust as a way of gaining access to historic reserves. In this context, the Museum has instructed our solicitors – Farrers - to assist with the incorporation of a company limited by guarantee and the drafting of arms-length agreements between it and the Museum, in addition to providing advice on the question of independence. Farrers has helped a number of NDPBs with similar endeavours so it is hoped that we will benefit from the experience of others before taking any final steps. Mr Neil Greenwood and Mrs Castles will be meeting with the Finance Director at the British Museum to gather intelligence. It was noted that any movement of reserves requires the approval of the Board of Trustees.

Human Remains – Repatriation: The return of ancestral remains to the Torres Strait Islands is proceeding with a further 19 remains planned for repatriation in late November. A delegation of eight "Traditional Owners" visited the Museum and presented the Chair with a letter expressing the community's wish for the Museum to continue as guardians of some of the remaining poorly provenanced remains and hold them in trust. To mark this occasion a formal ceremony was held at the Museum attended by the Chair and the Director. It was noted that repatriation claims from other indigenous communities are to be expected, which will be considered by Trustees on a case-by-case basis.

1377 DIRECTOR'S REPORT (TP 11/49)

The Director highlighted a number of items from the report:

Death of an Infant on NHM Grounds: The infant's tragic death was believed to be due to a congenital heart defect. This incident was very sad for all involved.

Break-in at Tring and Theft of Fake Rhino Horn: The Director reported that two men had been arrested for the rhino horn theft at the Haslemere Museum, but at this stage it is unclear whether they are suspected of the break in at Tring. The Director will provide an update once further intelligence has been gathered. The incident has resulted in changed security practices and the Director is assured that appropriate action has been taken to safeguard the safety of security staff and to contain high value specimens in secure conditions and locations.

Reputational Risk Issues: The Museum had been subject to two protests based on our links with partner institutions. One of these complaints was from the British Committees for the Universities of Palestine (BRICUP) objecting to our involvement in an EU-funded project ("NanoRetox") involving a consortium of a dozen European partners. BRICUP claim that the involvement of an Israeli company is in violation of international law as, although the company is registered in Israel, the lab is operating in the occupied Palestinian territories. Although the project satisfied the criteria for EU funding eligibility, the location of the lab was well disguised and, therefore, the Museum was unaware of any ethical problem.

It was agreed that to prevent similar occurrences the Executive Board should consider introducing a due diligence protocol for engagement with potential academic partners. In most cases there would be a small degree of risk, but in others it might be pertinent to conduct a reputational and financial risk assessment. It was acknowledged that any procedure would have to be dynamic (and probably risk-based) to deal with the potentially large number of academic partners in a quick and efficient manner. In introducing any protocol the Museum would have to be mindful not to stifle academic freedom by applying too rigorous a code of behaviour that could harness collaboration between individual scientists.

The Board gave its thanks to the Communications Team for the professional handling of both approaches.

Memorandum of Understanding with the Royal Botanic Gardens, Kew: Professor Mace declared a conflict of interest (she will be Chairing a DEFRA review of science at Kew) and did not take part in the discussion.

The Director tabled copies of the Memorandum of Understanding, which will be signed by the Directors of the Museum and the Royal Botanic Gardens, Kew at the tripartite meeting on 28 November 2011. It is hoped that the MoU will provide the basis for useful future collaboration. The Director's expectation for the future would include: progression of how the Museum and Kew could mutually manage collections (possibly extending to the creation of a national virtual botanical collection); consideration of what botanical collections in the UK might look like over a 25 year timeframe; opportunities to work on shared services; and how our respective public engagement and other programmes could be linked.

<p>ACTION: The Director will provide a progress report to the July meeting of Trustees and report on a six monthly basis thereafter.</p>

Professor Owens hoped that the tripartite meeting would provide the foundation for future collaboration between the two institutions and will help identify any underlying problems that would impede progress. In this context, to negate any underlying fears, it was agreed that every assurance should be given to Kew that the relationship is an equitable one.

Celebration of Ten Years Free Admission: Although organised by the NMDC, the Director was keen that the Museum is predominantly featured in these celebrations particularly as it has enjoyed the greatest growth in visitor numbers (trebling our audience to almost two million per year) of all national museums over the ten year period.

Department for Education: Professor Holman congratulated the Museum on its involvement in this review and suggested that the Director contacts Lord Hill of Dareford (Parliamentary Under Secretary for Schools) as a way forward.

Attendance Figures: The Museum continues to enjoy exceptional attendance figures with numbers reaching record levels. The downside however, is that the Museum experiences severe queuing problems with approximately 4k-5k people abandoning the queue and going elsewhere. The problem is addressed on a daily basis and other methods (such as Twitter) have been introduced to improve circulation and attract customers to other areas. Sir David Omand confirmed that the Audit and Risk Committee had discussed this problem and was confident that everything is being done to tackle the problem using available resources. As a long-term solution the Museum will be looking at capital planning to improve circulation and increasing the floor space.

A NHM "app" giving information on the collections would be extremely useful, but it was acknowledged that other digital priorities take precedence. It was agreed that Professor Anderson's idea to offer a prize to someone in Imperial College's Computer Department to develop an app was worthy of consideration.

ACTION: An update to be provided at the February Trustees' meeting.

Memorial to the Victims of the 2004 Asian Tsunami: The Board recorded its thanks to Joe Baker for organising this event.

1378 DECLARATIONS OF INTEREST AND REGISTER OF INTERESTS (TP 11/50)

Professors Halliday and Holman declared changes to the Register and Interests and Professor Mace a declaration of interest (see 1377 minute).

1379 CORPORATE SERVICES GROUP

(i) Draft budget for Financial Year 2012/13 (TP 11/51)

Mr Greenwood presented a balanced operating budget for FY2012/13 and indicative budget allocations for the period FY2013/15 to 2015/16. This includes the approach to the General Reserve, which underpins the budget throughout the period. The budget has been prepared against the backdrop of a grant-in-aid reduction from FY2011/12 and there is a need for further expenditure reductions from 2013 (or additional income) above those delivered during the last year, in order to maintain a strong financial position through to FY2015/16. Trustees were asked to approve the draft budget for FY2012/13. Mr Greenwood stressed that there were indications that grant-in-aid allocations for the later years of the Spending Review period were provisional and subject to future economic circumstances.

In discussion, Trustees:

- Mr Greenwood outlined the budgeted contingencies, which included £100k allocation to Estates in recognition of the risks from increasing energy prices. The Chair asked that in future gross budget should be produced with the contingencies extracted.
- The Chair queried the salary figures forecasted in the budget for FY2012/13 and beyond and sought further clarification on the £1.7m increase in FY2012/13. The Director explained that Science had been running under complement in FY2011/12 in order to generate the ability to restructure in FY2012/13 and the forecast reflects the return to a full staff complement in Science. However, the Chair was concerned that this level of increase would create a high base for subsequent years. Mr Greenwood reassured the Chair that a full staff complement is reflected in the salary budget of future years plus a 2.5% pay award element. There is the likelihood that salary expenditure will be lower than £28.1m in FY2012/13, which will contribute to the vacancy factor.
- The increase in the *Net Trading & Science Income* forecast from FY2012/13 to FY2013/14 is based on the Income Business Plans. The key areas of continuing growth are retail, conference and events, licensing and touring exhibitions (due to more stronger products in the portfolio). The biggest income generator is visitor derived income and the events bookings forecasts great growth. Ms Ament feels that the forecasts are more cautious than cavalier.
- Ms Ament explained that her basis for optimism for licensing was borne from the response of the Commercial Visiting Group, which felt that, looking at comparators, the Museum had greater potential to gain ground in this area.

- In response to Professor Halliday's question, the Director confirmed that the Museum has developed a strategy for increasing efficiencies including proactive procurement, outsourcing and an ongoing Administration Review looking at delivering improved efficiencies across the Museum. Discussions on shared services are also taking place with other Museums on the "campus".
- The income projection for Special Exhibitions shows a decrease of £0.4m on the current year forecast outturn. It was noted that income is also received from retail and donations (amounting to approximately £500k) associated with the exhibition, which is not reflected in this figure. Ms Ament will produce a one-page cost benefit analysis on how exhibitions individually perform for the Audit and Risk Committee.
- Professor Gilligan suggested that income for Science and Public Engagement be separated out into two budget headings/lines. The Director confirmed that the Audit and Risk Committee has already agreed to examine the way budgets are presented.
- Mr Henderson felt that more could be done to exploit the potential to capitalise on the flow of customers into restaurants, and that the on-site restaurants were low key compared to competitors. Ms Ament confirmed that a review of the catering offer is to be undertaken, which will include market testing a café (similar to that in the North Hall) in DC2.

Sir David Omand agreed that the budget for FY2012/13 was acceptable, but the indicative budgets for future years will be subject to the changing economic landscape and government review. Sir David recommended however, that contingency plans be considered for those areas where judgement has been imprudent in the event that our assumptions are not realised.

Mr Greenwood will present a paper to the February Board of Trustees' meeting setting out preliminary plans to make an annual saving of circa £700k from FY2013/14, in addition to responding to a further grant-in-aid cut in the latter years.

SUMMARY:

- The Chair asked Mr Greenwood to present a revised salary budget to the February Board of Trustees' meeting, which would give a greater explanation of the salary costs. Although the figure of £28.1m should remain, the Chair would like to see what controls could be put in place to keep the salary budget close to the £26.5m figure.
- Ms Ament is to produce a one-page cost benefit analysis on how exhibitions individually perform for the Audit and Risk Committee.
- Mr Greenwood will present a paper at the February Board of Trustees' meeting setting out preliminary plans to achieve savings.

(ii) Financial Review for the Period April-September 2011:
Trustees noted the report.

(iii) Second Quarter Health and Safety Report 2011/12:
Trustees noted the report.

1380 SCIENCE GROUP

(i) Science Group: Second Quarter Update 2011/12 (TP 11/54)

The Trustees welcomed the new format of the report and felt that both the summary of important items and glossary were particularly helpful. Professor Owens highlighted a number of points from his report:

Science Uncovered – 23 September: This was a huge success with 5,676 people attending the event and interaction with 320 NHM researchers, Imperial College and other UK universities and research institutions.

Torres Strait Islands Fellows: The two Fellows who hold the Australian Fellowships funded by the NHM and the Australian Government, commenced their six month placement in October. During their time at the Museum they will undertake training in the care and conservation of human remains and apply what they have learnt in a series of projects. As part of their work programme they will participate in outreach activities, both within the Museum and elsewhere, to share an aboriginal perspective on the care of remains and their importance in aboriginal society.

Appointments: Professor Owens reported that the Head of the Angela Marmont Centre for Biodiversity had been appointed and two museum scientist appointments had been made in the Department of Palaeontology.

NERC: Discussions on the next steps and the role of the NHM arising from the NERC-funded review of Taxonomy and Systematics were progressing.

(ii) Collections Storage Infrastructure Project – Ancient DNA Lab: (Verbal)

The Lab is a specialist state-of-the art dedicated aDNA laboratory and has been fitted out with equipment to create a super clean environment essential to avoid contamination by modern DNA. This super clean environment will enable specimens to be sampled, prepared and DNA extracted before analysis in the Museum's specialist sequencing facility.

The new lab is an important addition to the Museum's science infrastructure and complements the current molecular facilities. The intention is to attract both internal and external researchers to make use of the Museum collections and address priorities identified by major funding bodies. It will also allow the training of postgraduate and postdoctoral researchers in ancient DNA methods and protocols. The Lab will also tackle the challenge of looking at fragments of DNA left in herbarium specimens. Professor Owens accepts that the Museum will not be at the forefront of this technology and we will need to collaborate with interested partners. A technician has been recruited to take forward the first project, which will be to extract DNA from an Egyptian mummy.

(iii) Director of Science – First Impressions: (Verbal):

Professor Owens shared with Trustees his first impressions of the Museum since taking on the role of Director of Science; he found that the Museum has a great scientific talent pool, but there was sparse inter-disciplinarity with little resource prioritisation. Coupled with this there appeared to be a weak packaging of our science activity with poor alignment with funding or policy priorities. The publications record was also disappointing (equating to one paper per researcher, per year) and only 10% were going into high impact (or comparable) journals. Professor Owens also felt that our grant winning ability was below par (25% gained no external funding at all).

The first stage in redefining the Science vision was to set key areas for review and invite feedback to from scientific staff. The immediate priorities are:

- Revise science vision
- Reorganise science group
- Create core informatics facility
- Develop key networks and partnerships
- Communicate new science vision

The Trustees will receive a further update in February.

1381 PUBLIC ENGAGEMENT GROUP

(i) Second Quarter Report 2011/12 (TP 11/55)

Ms Ament focussed on a number of points from the report:

Visitors: Visitor numbers, as at 10 October, are slightly ahead at 2.69 million compared to 2.68 for the same period in 2010/11.

Special Exhibitions: The three summer exhibitions have reached the overall programme visitor and income requirements, with two of the exhibitions exceeding their targets compensating for the under achieving *Sexual Nature* exhibition. Unfortunately, *Sexual Nature*, although receiving enormous plaudits, did not translate to visitors and the Museum failed to attract the target audience.

Scotts Last Expedition: The exhibition will launch at the Museum in January to coincide with the anniversary of Scott's death. The exhibition is our first real partnership and the benefit of such a venture is to reduce costs and to get venues to share collections and expertise. The commercial aspect is very beneficial to the Museum with the income distribution proportionate to the input of each partner. The intellectual property is jointly shared between the NHM, Canterbury Museum, Christchurch, New Zealand and the Antarctic Heritage Trust (New Zealand).

MasterCard Partnership: MasterCard has signed a three year partnership with the Museum to promote activities and offer exclusives to MasterCard holders at *Night Safaris* and *Late Nights* events.

Museum Lane Development: The Museum has received support for our proposed plans from the Science Museum, RBKC and English Heritage and will be seeking planning permission in February. Ms Ament confirmed that the draft guidelines include plans for a catering outlet.

Awards: The Museum has been successful in winning several industry awards. At the Eventuria awards we were gold medal winners for the Best Event in a Public Space (for Crime Scene) and silver winners in the Best Experiential Event category. For our commercial events activities we won silver in the Venue Event Team of the Year category and bronze in the Event Hotel or Venue of the Year category.

- (ii) Membership Review: (TP 11/56)
It is now considered timely to review the future of the Membership Scheme in relation to building a large body of valuable supporter and communities of interest. Our current Membership Scheme is very small scale and numbers have declined in the years following free admission in 2001. The Scheme has been reshaped since that time and it now has a fairly stable base of approximately 6,000 individuals, 3,027 memberships and a showcase magazine *Evo/ve*. The review will look at various options to enhance the offer in order to create a thriving membership (including digital membership) and will be completed in April 2012. The review will inform whether to cease activities or implement a new approach. A report will come to Trustees.
- (iii) Treasures Gallery Report (TP 11/57):
Trustees accepted the report and noted that the specimens will be rotated on a regular basis and that some specimens (such as DNA) may be added.
- (iv) Volunteering at the NHM: (TP 11/58):
The Trustees welcomed Ms Beth Stone (Head of Face-to-Face Learning) and Ms Ali Thomas (Volunteers Project Manager, Organisational Learning) to the meeting. The short film shown at the meeting demonstrated just how committed and dedicated NHM volunteers are. The Museum has a team of over 350 volunteers who make a vital contribution to our Science, visitor experience and add capacity to help deliver learning. The team includes: front and back of house volunteers, learning volunteers, interns and work placements. The volunteers do not fit into any particular demographic profile as they come from varied backgrounds and age range - the oldest is 89!

Ms Stone and Ms Thomas would like to raise the profile of our volunteering programme and future plans include more training opportunities and new initiatives, such as the "V" Factor. The "V" Factor is a volunteer inclusion initiative for 16 year olds and over, which looks to develop transferable skills for volunteers through a unique hands on collections experience and development framework. The "V" Factor will support long term collections projects and enliven the Darwin Centre experience. It was acknowledged that the Museum could do more in helping to tackle youth unemployment by using the volunteer programme to train unemployed youths.

The Trustees congratulated Ms Stone and Ms Thomas on providing a good and informative update.

1382 AUDIT & RISK COMMITTEE REPORT

Sir David Omand, as Chair of the Audit & Risk Committee, reported on the following items from the meeting held on 17 November 2011:

- Management response to the report on contract management identified the potential for improving the procurement of contractors, particularly those related to Estates management.
- The Head of Security's risk management report on collections security was reassuring, particularly the implementation of improved access control to collections. The Committee was also reassured that three other risk areas – overcrowding, fire and terrorist attacks – were adequately managed and the risks assessed. Mr Greenwood confirmed that the provision for security measures is going forward and the ten year programme for fire prevention has concluded, albeit some small interventions may be required in the future.

1383 PERFORMANCE

- (i) Performance Outturn to end of Q2 2011/12 against DCMS Indicators (TP 11/59)
Trustees noted the report.
- (ii) Darwin Centre Update (TP 11/60)
Trustees noted the report.

1384 AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 11/616)

The rolling agenda for future meetings was noted.

1385 EVENTS DIARY (TP 11/62)

Two items to note:

- The VIP launch of *Scott's Last Expedition* is confirmed at 19 January
- The Trustees' Annual Dinner is confirmed as 22 May.

1386 ANY OTHER BUSINESS

There was no other business.

1387 DATE OF NEXT MEETING

Tuesday 28 February 2012 at 0930 at the Natural History Museum.