

**THE NATURAL HISTORY MUSEUM**

**AT A MEETING ON**

**TUESDAY 9 MAY 2006**

**AT 9.30 A.M.**

**AT THE NATURAL HISTORY MUSEUM**

**Present**

**TRUSTEES**

Mr Oliver Stocken (in the Chair)  
Sir William Castell LVO  
Louise Charlton  
Professor Dianne Edwards CBE FRS  
Professor Alex Halliday FRS  
Professor Michael Hassell CBE FRS  
Professor Georgina Mace OBE FRS  
Sir David Omand GCB  
Professor Linda Partridge CBE FRS FRSE

**In Attendance**

Dr Michael Dixon  
Sharon Ament  
Paul Brereton  
Anna Cuss (Minutes)  
Louise Emerson (*Commercial Strategy only*)  
Neil Greenwood  
Professor Richard Lane  
David Sanders  
David Thorpe  
Teresa Wild  
Frances Windsor

**Open session**

The Chairman welcomed Louise Charlton to her first meeting. Ms Charlton had been appointed by the Prime Minister to serve four years on the Board from 1 May 2006. The Chairman also welcomed Professor Alex Halliday to his first full Board meeting. Professor Halliday had been appointed by the Secretary of State, on the recommendation of the Royal Society, to serve on the Board for four years from 1 March 2006.

**953 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Ian J Henderson and Professor Jacquie McGlade.

**954 MINUTES OF THE MEETING OF 2 FEBRUARY 2006**

The minutes of the meeting of the Trustees held on 2 February 2006 were confirmed and signed.

**955 MATTERS ARISING FROM THE MEETING OF 2 FEBRUARY 2006 (TP 06/15)**

(i) Ice Rink (TM 2 February: 931vii)

A full evaluation report of the Ice Rink and Christmas Fair had been reviewed by Directors' Group at the end of March, and confirmation received from partners IMG that the ice rink had been the most popular temporary outdoor rink in the UK during 2005. Based on this excellent outturn, including recommendations for improvements leading from lessons learned, the decision had been taken to proceed with the event for a minimum of one further year.

(ii) Visiting Group to Palaeontology Department (TM 2 February: 937)

Professor Lane reported that the main development since the last meeting was a restructuring of the department, following extensive consultation with staff, which would simplify lines of management and information flow.

A full report on implementation of recommendations would be presented to the Board in February 2007.

(iii) **Board Assessment follow up (TM 2 February: 940)**

Trustees endorsed the recommendation from Professor Lane that Trustees engage with science matters in three ways, namely through i) transactional business at Board meetings, including proposals, reports and briefings, ii) twice yearly strategic discussions and iii) a one-day science festival for Trustees and staff. The Board agreed that this way forward would satisfy Trustees' requirement to engage more fully with science and negate the need for a separate Science Committee.

Trustees requested that the first strategic discussion, to take place on the afternoon of a Trustee meeting, be arranged for November 2006 followed by a second in February 2007.

**956 MINUTES OF THE EXTRAORDINARY MEETING OF 25 APRIL 2006**

The draft minutes of the meeting of the Trustees held on 25 April 2006 were noted. Subject to the approval of the Chairman, the minutes would be confirmed and signed in advance of the next meeting.

**957 MATTERS ARISING FROM THE EXTRAORDINARY MEETING OF 25 APRIL 2006 (TP 06/16)**

Trustees received an update from the Director on steps taken since the last meeting to make progress in a number of key areas, namely;

- communications plan
- road map to seamless delivery of the DC2 programme
- cashflow and logistic implications of the timing of Science and Public Offer fit-out
- stakeholder management

With reference to the communications plan in particular, Trustees suggested that, in drawing up the detailed communication plan, consideration be given to communicating the decision on letting the construction contract more widely, bearing in mind the importance of the decision that had been taken.

Noting the progress that had been made, the Board recommended that the Darwin Centre Two project become a standing item on the agenda henceforth, comprising progress reports on finance, construction, fundraising and public offer.

**958 CHAIRMAN'S REPORT**

- (i) **Appointments to the Board.** The Chairman reported that interviews for the final vacancy on the Board in the current round of appointments had been held on 8 May. Following the same process used for Prime Ministerial appointments, four candidates for the Commerce & Law Trustee role had been interviewed and a preferred applicant identified. The Chairman summarised the background of the preferred applicant and recommended that, subject to references, they be co-opted to the Board. Trustees endorsed this recommendation.
- (ii) **Kohler Darwin Collection.** Trustees noted that the purchase had been completed on 3 April and that a thank you event for donors had been hosted by the Chairman on 4 May. The collection would be moved to the Museum in late May and a date for a public announcement would be confirmed soon. The Board recorded their congratulations to the cross-Museum staff team who had made this achievement possible.

**959 DIRECTOR'S REPORT (TP 06/17)**

The Director presented his first written Director's Report, as requested by Trustees, and highlighted a number of issues relating to Museum business:

- (i) **Funding Agreement.** The agreement covering 2005/06 to 2007/08 had been signed since the last meeting. It contained a number of changes to the key performance indicators against which the Museum was required to report, in particular two new indicators - tracking of net self-generated income, and of the Museum's efficiency plan under the Gershon initiative. Trustees noted that these new indicators were significant in that they suggested the potential for future funding to be linked much more closely to demonstrably prudent spending and both cash and non-cash efficiencies.
- (ii) **Reviews of Darwin Centre Two.** Two important reviews of the Darwin Centre Project had been undertaken since the last meeting. Firstly, a High Spot Audit Review, which had provided assurance for the Board in advance of the decision on proceeding with letting the construction contract as well as highlighting areas for further work, and secondly the OGC Gateway Review 0/3. Although the recommendations were already being addressed, a full response to the final report of the Gateway Review would be presented to Trustees in July as part of the regular reporting to the Board which had been agreed earlier in the meeting.

Trustees noted that, to address one of the key recommendations of the report, Mr Greenwood had been appointed Programme Director for DC2 with immediate effect and was finalising a restructure of the DC2 project team. A substantial

part of the operation of the Finance Department had consequently been delegated to a new Head of Finance, Alan Carr, though Mr Greenwood would retain overall control.

- (iii) **Keeper of Entomology.** The Director reported that the Keeper of Entomology had recently resigned to take up another position overseas. The Keeper of Zoology was providing interim cover until a replacement had been found. Trustees agreed that the search for a replacement Keeper be instigated as soon as possible and requested a verbal update on future approaches to senior science appointments at the July meeting.

#### **960 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **961 FINANCIAL POSITION TO DATE (TP 06/18 – no paper issued)**

Mr Greenwood reported that it had not been possible to prepare a written report on the year-end outturn in advance of the meeting, but gave a general update on the most likely scenario in anticipation of a full written report to the July meeting.

In summary, the Museum had performed well, despite the visitor downturn experienced in the months immediately after the London bombings of July 2005. One of the more significant emerging issues was the lack of clarity relating to the recent restriction imposed by Treasury on year-end flexibility and access to historic general reserves. The issue was under discussion by DCMS and Treasury to achieve a solution, but in the meantime it was important for the Museum to ensure it had a clear and justifiable case for access to surplus funds.

#### **962 REPORT FROM THE AUDIT COMMITTEE (TP 06/19-23)**

As Chair of the Audit Committee, Sir William Castell gave a verbal update on the business of the Audit Committee, including the Head of Audit's Annual Report and Plan and the management of risk.

A general point was made that, in advance of the next meeting, clarification should be sought on the delegation of business to the Finance and Audit Committees as well as the provision of necessary and adequate assurances to the Board.

In the meantime, the Board requested to see the revised Statement of Internal Control and Accounts Approval Process when they considered the Annual Accounts at the July meeting.

#### **963 HEALTH AND SAFETY REPORT AND PLAN (TP 06/24)**

Mr Brereton presented the review of 2005/06 and plan for 2006/07, which gave assurance to Trustees on the adequacy of health and safety management controls in the Museum. Trustees noted the report and agreed that it should continue to be submitted to the Board on an annual basis for their endorsement. In addition, Trustees, having been informed of the implementation of the new on-line accident reporting system, requested that henceforth they receive an accident/incident report at each meeting.

#### **964 HUMAN REMAINS ADVISORY PANEL (TP 06/25)**

Professor Lane reported on the first meeting of the Human Remains Advisory Panel on 20 March 2006, at which the method of operation and basis for making recommendations to the Board on requests for return of human remains to their countries of origin were considered.

The Museum had, thus far, received two formal requests for return to country of origin, one from the Australian Government and another from the Tasmanian Aboriginal Centre (TAC). Further information was being sought in both cases for discussion at the next Panel meeting in October 2006 in advance of any recommendation to the Board. Professor Lane confirmed that a dedicated part-time member of staff with expertise in anthropology had been engaged for research purposes to alleviate pressures on the Palaeontology Department.

On a specific point raised in the minutes of 20 March, Trustees confirmed that the authority to deaccession Australian Indigenous remains should remain with the Trustee Board rather than being delegated to the Director, with the assurance that all requests via the claims process would be dealt with as efficiently as possible.

Trustees welcomed the improvement to communication as well as the spirit of openness and transparency engendered by the Panel and looked forward to receiving further updates in due course.

#### **965 VISITING GROUP 2006/07 (TP 06/26)**

Professor Lane reported on plans for the next Visiting Group which, in line with the department-by-department approach re-adopted in 2005 was recommended to focus on the Zoology Department in December 2006. The Visiting Group was one of the more significant methods by which the quality of the work of the Science Group was externally evaluated and its public value demonstrated.

Following discussion, Trustees:

- agreed that there be a review of the Zoology Department in December 2006 with a report to Trustees in February 2007
- confirmed the terms of reference of the group as set out
- appointed Professor Hassell to chair the review
- delegated final choice on membership to Professor Hassell and Professor Lane, bearing in mind their comments on what areas of expertise should be covered by those members
- requested a report back in July

#### **966 SCIENCE GROUP HIGHLIGHTS**

Professor Lane updated the Board on two other highlights:

##### Organisation for Economic Co-operation and Development (OECD) Global Science Facility

Through the Museum's collaboration with the Dutch delegation and support of the UK representative on the GSF (from the OST) 'scientific collections' were now part of the GSF agenda. Scientific collections included earth and life sciences. The GSF did not have funds of its own, but was an important instrument for facilitating international cooperation and downwards to national agencies. The first step would be a workshop hosted by The Netherlands in early 2007, which would map out the issues and the proposed route forwards. Professor Lane would be the national representative and confirmed that this initiative would contribute to the Museum's long-range advocacy.

##### European Strategy for Research Infrastructures (ESRI)

As part of the planning for Framework 7, ESRI had set out a roadmap for prioritising the major scientific infrastructures which were required for the future of European science. One of the areas was biodiversity. A small group (including Professor Lane representing the Synthesis project and the Museum) had put together a proposal to build a network infrastructure incorporating collections and field sites across Europe. The project was called LifeWatch and would both create an inventory of and monitor biodiversity in Europe. The proposal was selected by the specialist Biodiversity panel to be considered by the larger Biological and Medical Sciences section of the ESRI programme.

#### **967 CORPORATE PLAN 2006-2011 (TP 06/27)**

The Director presented an outline of progress with the Corporate Plan since July 2005, including work on the longer-term goals, first year objectives and mechanisms for tracking performance. These had been used to inform the new annual appraisal process which resulted in the setting of individual objectives and forward plans. A printed version of the Plan, incorporating an updated narrative and expanded tabular summary would follow in due course.

Trustees noted the progress, but recommended that it was essential to identify a defined set of high level objectives and priorities to inform the overall strategy, which should be firmly in place before the next Spending Review.

It was agreed that a full day should be arranged for the Board to consider strategic issues in early September. Therefore, in July, the Board should consider a draft agenda and outline of papers to be provided, together with guidance on what inputs would be required from the Board.

#### **968 PERFORMANCE INFORMATION – ANNUAL OUTTURN TO MARCH 2006 (TP 06/28)**

Trustees noted the summary of performance against targets during 2005/06.

From their earlier discussion on the re-wording of key performance indicators in the new Funding Agreement, Trustees noted that there would be a general review of performance indicators across the Museum later in the year, which would have an impact upon the information that was reported in future. In particular, the report to Trustees would henceforth include the new finance-based targets on efficiency and net self-generated income. The Director informed Trustees that the finance-based targets were not currently used by DCMS for comparison with other museums and consequently there was currently no consistent measuring method shared between museums. If comparisons were to be made in future or if competition for funding against performance introduced, then consistent methods would have to be established.

In the review of information reported to them in future, Trustees asked for numbers of school visitors in the 16-18 year old bracket be recorded.

In conclusion, Trustees noted that, overall, the Museum had demonstrated strong performance against targets over the past year, including excellent recovery after the London bombings in July 2005. Congratulations were recorded to the senior management team and their staff for this achievement.

#### **969 RETIREMENT AGE POLICY (TP 06/29)**

Trustees noted that, in order to comply with the Government's change agenda concerning retirement age, all permanent staff in the Museum would, as from 1 October 2006, be given the choice to retire either at 60 or to continue working and retire at any point between 60 and 65. This would, in effect, replace the current mandatory retirement age of 60 with the new age of 65.

The policy had been communicated to staff and was provided to Trustees for information.

#### **970 COMMERCIAL STRATEGY (TP 06/30)**

Ms Emerson, Head of Business and Commercial Strategy, joined the meeting to present the Museum's Commercial Strategy. The strategy had been created to enable the Museum to fulfil an increasing number of roles, including delivery against broadening Government objectives in a climate of static or falling 'real' incomes. To meet these demands, it was imperative for the Museum to set a strategic framework for its commercial activities, within which it could increase income year on year whilst generating a profit for the Museum. The percentage increase in income was optimistic, but achievable and budgetary planning had, therefore, been necessarily prudent in order not to rely too heavily on achieving this increase.

Trustees were informed that not all activities in the strategy were valued on the basis of their financial success. The decision to continue with those activities was a conscious one, based upon the value that they added, directly or indirectly, in promoting the Museum's brand and mission to a wider audience. In other areas, investment would provide benefits to be realised in the longer term.

In conclusion, Trustees welcomed the strategy and gave its implementation across the Museum's business areas their full support.

#### **971 PUBLIC ENGAGEMENT GROUP HIGHLIGHTS**

Ms Ament gave a summary of other highlights, including forthcoming events at the Museum. Trustees requested that they receive regular updates in future on forthcoming events which they might wish to attend, including fundraising opportunities at which they could play an ambassadorial role.

The Museum was actively engaged in the current Exhibition Road Project which aimed to improve the standard of environment in the area surrounding the museums, for residents, businesses and visitors alike. Ms Ament would give a fuller presentation on the implications of the project for the Museum, in particular the key role of the gardens, in July.

#### **972 REPORT OF MUSEUM ACTIVITIES (TP 06/31)**

The report was noted.

#### **973 ANY OTHER BUSINESS**

The Chairman raised two items:

##### Annual Summer Party

This event, to be attended by members of the Board and all staff of the Museum, would be held on the west lawns on Thursday 22 June, from 1830 to 2100. In order to meet the widest cross section of staff, the Chairman recommended that Trustees and senior management staff serve drinks for a short time at the start.

##### Display of material from the Kohler Darwin Collection

A limited number of items from the recently acquired Collection would be on display in the Board Room at the close of the meeting in advance of the more substantial display planned for the Rare Books Room later in the summer.

#### **974 AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 06/32)**

Trustees noted the items to be considered at future meetings.

#### **975 DATE OF NEXT MEETING**

Tuesday 11 July 2006 at 1000 at the Natural History Museum.