

THE NATURAL HISTORY MUSEUM

AT A MEETING ON

THURSDAY 12 MAY 2005

AT 10.00 A.M.

AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES

Professor Sir Keith O’Nions FRS (in the Chair)
Professor Dianne Edwards CBE FRS
Professor Michael Hassell CBE FRS
Professor Christopher Leaver CBE FRS
Professor Georgina Mace OBE FRS
Professor Jacquie McGlade
Dame Judith Mayhew Jonas
Professor Linda Partridge CBE FRS FRSE
Mr Oliver Stocken
Sir Richard Sykes FRS

Dr Michael Dixon
Ms Milly Rosier (Secretary to the Board)
Ms Anna Cuss (Minutes)

Ms Sharon Ament, Mr Paul Brereton, Professor Andy Fleet (*Diamonds project only*), Mr Neil Greenwood, Mr Alan Hart (*Diamonds project only*), Dr Richard Lane, Mr David Thorpe and Ms Teresa Wild were in attendance.

866 APOLOGIES FOR ABSENCE

Apologies for absence were received from Sir William Castell and Mr Ian Henderson.

867 MINUTES OF THE MEETING OF 3 FEBRUARY 2005

The minutes of the meeting of the Trustees held on 3 February 2005 were confirmed and signed.

868 MATTERS ARISING FROM THE MEETING OF 3 FEBRUARY 2005

- (i) Staff appointments (TM 3 February: 854)
The Chairman welcomed Mr Paul Brereton to the Museum as new Director of Human Resources. Mr Brereton had taken up his role on 3 May 2005.
- (ii) DNA Barcoding (TM 3 February: 854)
Dr Lane provided a verbal report on the Conference, as requested at the February Board meeting. The Museum had won a competitive bid to host the conference, which was funded by the Sloan Foundation. There had been 220 delegates from 45 countries, a selected audience representing a broad range of topics and interests. A number of important messages had been identified and key papers would be published in a themed part of the Philosophical Transactions of the Royal Society (B).

Media coverage of the conference had been extensive and, as part of the follow up, the Royal Botanic Gardens Kew and the Museum had received a grant from Moore and Sloan for a plant gene sequencing project.

Trustees noted this information and congratulated Dr Lane and his team on the success of the event.

- (iii) Corporate Governance at the Museum (TM 3 February: 857)
Trustees had requested that the governance and management structure for the Darwin Centre Phase Two project be clarified and agreed with Ian Henderson. It was confirmed that this had taken place and Item 12 on the agenda, specifically the management response to the OGC Gateway Review, dealt with related issues.

(iv) Human Remains and the Ethical Framework (TM 3 February: Minute 859)

Further to the report at the February meeting, Dr Lane provided a brief verbal update on the work of the DCMS drafting group. A Code of Practice was currently in production, which would eventually result in a new Human Tissues Act amending the British Museum Act 1963, thereby allowing Trustees to return human remains from the collections to their communities of origin if they so wished. The Museum welcomed this step, but was keen to maintain an appropriate balance between the needs of society and the needs of science. A group of experts in the field were currently defining an ethical framework within which each museum might make recommendations to its own Trustees. This was broadly favoured over the idea of a national advisory committee.

Professor Leaver raised the issue of other specimen repatriation. Dr Lane confirmed that repatriation discussions were confined to human remains and that the NHM was engaged in data repatriation on a broader front.

869 DECLARATIONS OF INTEREST

There were no declarations of interest.

870 CHAIRMAN'S REPORTVisit by Estelle Morris

The Minister for the Arts had visited the Museum on 7 April. The visit originated from an invitation extended to the Secretary of State in response to the positive outcome of SR2004 for the Museum. It had provided an opportunity to thank the Minister for her support for Darwin Centre Phase Two and to emphasise the historical and research value of the Museum's collections as well as to make a case for continued financial support to maintain them.

Although Estelle Morris had since stood down as Minister, she was now a member of the House of Lords and the Museum should aim to retain her interest and support in the future.

Trustee visits

The Chairman proposed that individual visits to various areas of the Museum should be reinstated, to both increase Trustees' engagement with the Museum's work and to enable them to meet more of the Museum's staff. Trustees endorsed this proposal and asked Ms Rosier to make the appropriate arrangements.

871 DIRECTOR'S REPORT

The Director reported on the following subjects:

- i) **Director of Human Resources.** The Director added a personal welcome to Mr Brereton and noted that the Museum's senior management team, Directors' Group, was now complete and functioning effectively after a period of movement of key staff.
- ii) **Freedom of Information request.** The Museum had received an appeal from the Sunday Times after it had declined to release the PricewaterhouseCoopers report for reasons of confidentiality. The issue was being actively followed up with the DCMS legal advisers and the Department for Constitutional Affairs. Trustees were reminded that any enquiries they received about Museum business under the Freedom of Information Act should be directed through the Press Office. Trustees would be kept informed as the matter progressed.
- iii) **Collection of Darwin texts.** Trustees noted that the Museum had been given the opportunity, by a well-established book dealer, to purchase an extensive collection of printed works and manuscripts by Charles Darwin. The possibility of funding such a purchase was currently being explored and further information would be communicated as it became available.
- iv) **Rowland Ward Pavilion.** The Director had hosted a lunch meeting for descendants of the Rowland Ward Trust and other interested parties who were concerned about the future of the components of the Rowland Ward Pavilion, which had been dismantled as part of the planning for Darwin Centre Phase Two. The visit had included a tour of Wandsworth where the specimens from the Pavilion were currently in storage. The Director was satisfied that the legitimacy of the decision to dismantle had been demonstrated and acknowledged by the visitors.
- v) **Board assessment.** Trustees noted that Justine Brewood had been engaged to conduct the annual assessment of board performance as part of the Board's review of corporate governance. They agreed that the process was a valuable one for the Board and that it should comprise the issue of questionnaires followed by interview on an individual basis. Ms Brewood's attendance at a meeting was not considered necessary as it could be unrepresentative of usual business. Trustees would be contacted separately in due course to make the necessary arrangements.
- vi) **Diplodocus.** The Director informed Trustees that 12 May marked the 100th birthday of the Museum's best-loved dinosaur, the *Diplodocus*. The cast had arrived at the Museum in 1905 after Edward VII requested a copy of the fossils of the newly found *Diplodocus* from the Carnegie Museum's collection in New York. A team of technicians from the Carnegie Museum

reassembled the 342 bones at the Natural History Museum and a celebratory presentation took place on 12 May 1905. A temporary display had been installed in the Central Hall to mark this historical landmark.

872 FINANCIAL REPORT (TP 05/09)

- (i) Accounts approval process 2004/05
Trustees noted and endorsed the process for approval of the Museum accounts which would allow the Finance and Audit Committees to scrutinise them in advance of Board endorsement before they were signed by a Trustee and the Accounting Officer. The tightness of timescale and practicality of arranging committee meetings was noted and Trustees acknowledged that there would be occasions when delegated authority for final approval would need to be sought. However, every effort should be made to avoid this where possible.
- (ii) Statement on Internal Control
Trustees noted the draft Statement on Internal Control which had already been considered by Audit Committee. Mr Greenwood confirmed that there were no significant changes since the previous year and that Trustee approval of the final statement would be obtained in accordance with the accounts approval process.

Professor McGlade suggested that Trustees have the opportunity to view the final management letters produced by NAO and by Kingston Smith.

873 RISK AND ASSURANCE REPORT (TP 05/10)

Trustees noted that the following papers had all been previously considered by Audit Committee.

- (i) Head of Internal Audit's report and plan
Trustees noted Mr Thorpe's report which provided his opinion on the adequacy and effectiveness of the Museum's governance, risk management and internal control system. The report also gave details of audit reviews and other work completed during the year, and set out the Audit & Assurance programme of work for 2005/06.

Mr Stocken asked Mr Thorpe what he considered to be the most significant risks at present. Mr Thorpe said that the highest risks were presented by the Darwin Centre Two project and the security relating to the Valentine project. In relation to the latter, although Trustees accepted that in order to protect individuals it was necessary to restrict security information, they nonetheless sought assurance from the Director that the measures put in place were of the highest quality. The Director confirmed that he held overall responsibility for the project and assured Trustees that a substantial commitment of effort and resources had been put into ensuring that the strictest security arrangements would be adhered to at all times. In addition, the Museum had made arrangements for cover, with manageable constraints, under the Government Indemnity Scheme, which itself was dependent upon an optimum level of security. At the same time, security levels for the project were being extended to all areas of the Museum to improve standards across the whole site.

Trustees accepted this assurance.

- (ii) Corporate Risks 2004/05 and 2005/06
Trustees noted the risk management update outlining the status of Museum Corporate Risks for 2004/05 and key Corporate Risks for 2005/06. The Director added that the senior management team would, in the coming weeks, be considering the key risks identified for 2005/06 in more detail and finalising a list of mitigating actions.

Professor McGlade asked whether the issue of having appropriate staff within departments to deliver mitigating actions was incorporated into risk management. Mr Thorpe confirmed that this issue was picked up consistently by both Departmental and Systems Audits.

- (iii) Implementation of PwC and Internal Audit Recommendations
Trustees noted the report by the Director, which gave reassurance that the above recommendations were being followed up in an efficient and timely manner. The Director added that the Museum had agreed to provide updates to DCMS on progress with implementing the recommendations from the PwC report and that this would be carried out.

Mr Stocken enquired whether the senior management were satisfied that the policy on whistle-blowing was adequate and fully understood by all the staff. The Director confirmed that all new staff were made aware of the independent Employee Assistance Programme and Whistleblowing Service (provided by EAR Accor Services) on joining the Museum and that details were available to everyone via the Intranet system.

874 HEALTH AND SAFETY PLAN AND REPORT (TP 05/11)

Trustees considered the report for 2004/05 and plan for 2005/06. The Director confirmed that management of health and safety management across the Museum was effective, with a reduction in the number of accidents reported. Improvements to near miss reporting were also being developed.

Professor Leaver asked whether the Museum had experienced any cases of malicious reporting which was on the increase. Mr Greenwood said that, as a public body, the Museum was less exposed to malicious claims, however, it ensured that a robust

stance was taken in each case and had recently made improvements to the process for incident reporting. Mr Greenwood also confirmed that the Museum had public liability cover should the need ever arise.

875 GOVERNANCE FRAMEWORK (TP 05/12)

At their February meeting, Trustees had approved a number of changes to the Museum's corporate governance structures and processes. Paper TP 05/12 brought together and summarised the principles underlying corporate governance at the Museum, as well as revisions to the Terms of Reference for Board Committees.

Trustees agreed the document, including the specific terms of reference for the Darwin Centre Phase Two Trustees' Committee, which had been drafted in line with good practice and with reference to the recommendations arising from the recent Gateway Review of the project.

876 REPORTING PERFORMANCE AND ACTIVITIES TO TRUSTEES (TP 05/13)

As part of the improved process for keeping staff, senior management and the Board (particularly in terms of their governance responsibilities) informed of Museum performance and activities, Trustees noted that they would, in future, receive a monthly report containing;

- an update on performance against a range of stated indicators and a commentary on performance against them, explaining any notable variances
- Highlights of media coverage.

At their quarterly meetings they would receive;

- a summary of performance against the indicators, including summary commentary
- a report on Museum activities in public engagement and science areas

This information was also being shared with the Museum staff in the form of quarterly presentations.

In terms of the selected indicators, Professor Leaver recommended that figures for the number of PhDs completed within four years would be a useful demonstration of achievement. Sir Richard Sykes recommended that a spend per head indicator might also add value.

Trustees also noted that methods of regular financial reporting were currently under review and would be brought to Finance Committee and the Board in due course.

877 DARWIN CENTRE PHASE TWO (TP 05/14)

Trustees noted that the following papers had previously been considered by the newly-formed Darwin Centre Two Trustees' Committee. The first meeting, chaired by Mr Henderson, had been held on 11 May and minutes would be submitted to Trustees in due course. The Committee now included four co-optees from the construction industry with considerable expertise.

- (i) Senior Responsible Owner's Report
- (ii) Project Director's Report
- (iii) Finance Director's Report

[This section of the discussion to be made available in December 2009]

- (iv) Gateway Review Recommendations and Management Response

The review had been a useful and constructive process of benefit to the Museum. The overall outcome was positive, though it was essential to follow up the recommendations that had been made, particularly in relation to direction and management of the project. Action was already being taken on this in the form of recruiting a Programme Manager to coordinate the relationship between the project and overall programme of activities. The cost of this post would be covered by existing budgets.

Professor Leaver raised the issue of unplanned costs, particularly in relation to energy price increases. Mr Toy acknowledged that aspects of the project were heavily dependent upon energy, particularly the control of humidity in the building, but that a full cost plan was in place in the event of such price increases.

878 DIAMONDS PROJECT - UPDATE

Mr Hart, Mineralogy Collections Leader/exhibition curator, and Professor Andy Fleet, Keeper of Mineralogy/exhibition curator, joined the meeting. Mr Hart gave an outline of the exhibition aims and content, including examples of the rare and iconic diamonds which would form the display.

879 FINANCE COMMITTEE REPORT

Mr Stocken reported that the meeting on 9 May had not taken place, therefore the draft accounts would be considered at the next full meeting on 28 June. In the meantime, finances relating to Darwin Centre 2 had been considered in detail at the first DC2 Trustees' Committee on 11 May.

880 AUDIT COMMITTEE REPORT (TP 05/15)

Sir Richard reported on the main business of the meeting held on 15 April, noting that some of the papers considered had already been discussed under item 873. Three items of note were that;

- The Museum Procurement Manager was due to start on 1 June. The role would encompass leadership, guidance and monitoring on best procurement practice and include addressing some of the issues arising from the PwC report and recommendations
- A systems review of retail activities was being conducted
- Final settlement had been reached with ABB to the value of £105k after a period of tough negotiation. Mr Greenwood and Mr Thorpe were to be commended on this conclusion to the M&E contract.

881 PERFORMANCE REPORT (TP 05/16)

(i) 2004/05 outturn

Trustees noted the achievements across the Museum during 2004/05, particularly by comparison with the other South Kensington museums, and made a number of observations:

- Professor Leaver enquired about the percentage drop of children in education programmes since the previous year. The Director explained that since the implementation of the new learning strategy and restructuring in that department, improvements were expected to be made. He added that there was also an underlying issue with the level of the target itself, which would be addressed when the new Funding Agreement was negotiated with DCMS.
- Professor Leaver suggested using 'sums applied for' against 'sums granted' to give a better indication of grant application success against scientific indicators. He added that the policy of excluding overheads by some grant awarding bodies was reducing the number of grants which were affordable to apply for.
- The Chairman noted that it was probable that a DCMS would appoint a Chief Scientific Advisor in the near future. Given the Museum's unique research element, the scientific outturns were likely to be of great interest and must therefore represent as accurate a view of the Museum's research as possible.

(i) Activities – January to March 2005

- Professor Edwards asked whether the Museum was involved in the forthcoming celebrations to mark the tercentenary of the birth of Linnaeus in 1707. Dr Lane confirmed that the Museum was publishing a book to coincide with 2007 as part of the Linnaean Plant Name Typification Project and that other activities were currently under discussion.

882 ANY OTHER BUSINESS

There were no items.

883 DATE OF NEXT MEETING

Thursday 7 July 2005 at 1000 at Tring Museum.