

**THE NATURAL HISTORY MUSEUM**

**AT A MEETING ON**

**THURSDAY 27 NOVEMBER, 2003**

**AT 10.00 A.M.**

**AT THE NATURAL HISTORY MUSEUM**

**Present**

**TRUSTEES**

Professor Sir Keith O’Nions FRS (in the Chair)  
Professor Dianne Edwards FRS  
Professor Michael Hassell CBE FRS  
Professor Anne McLaren DBE FRS FRCOG  
Dame Judith Mayhew Jonas DBE (*items 1-4 only*)  
Lord Palumbo  
Professor Linda Partridge CBE FRS FRSE  
Mr Oliver Stocken (*items 1-5 only*)  
Sir Richard Sykes FRS

Sir Neil Chalmers  
Dr Mary Fridlington (Secretary to the Board)  
Ms Anna Cuss (minutes)

Ms Sharon Ament, Ms Deirdre Candlin, Mr Neil Greenwood, Mr David Hill and Dr Richard Lane were in attendance. Mr Richard Toy and Ms Caroline Whitaker were in attendance for paper TP 03/24 only.

**Closed session**

Sir Richard Sykes, as Chairman of the Audit Committee, reported that Audit Committee had met earlier that day. The meeting had been attended by himself as Chairman, by Sir Keith O’Nions and by Mr Michael Sheasby, independent member of the Committee. The Committee had interviewed the Director of Human Resources, David Hill, and the Director of Visitor & Operational Services, Deirdre Candlin, about concerns that they had expressed over the management of contracts in Estates. Sir Richard said that the Audit Committee recommended, in the light of this, that forensic auditors, led by a legal firm, be appointed to examine some of the Museum’s concerns and the issues surrounding them.

Trustees agreed to this course of action.

**741 APPOINTMENT OF A NEW DIRECTOR**

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**742 UPDATE ON APPOINTMENT OF NEW TRUSTEES**

The Director reported that an announcement from DCMS on the appointments made by the Prime Minister for Trustees to replace Dr McLaren and Ms Bennett was imminent. He reported that the first terms of office of three current Trustees, Professor Hassell, Professor Partridge and Mr Stocken were all due to come to an end early in 2004. All three had kindly indicated their willingness to serve for another term. Professor Hassell and Mr Stocken had gone forward through DCMS for Prime Ministerial approval. Trustees agreed enthusiastically to the reappointment of Professor Partridge, whom they had originally co-opted onto the Board, for a further four years, from 1 April 2004 to 31 March 2008.

The Chairman reminded Trustees that this would be Dr McLaren's last meeting, since her term of office had now come to an end. The official farewell would take place at the Trustees' Dinner on 4 March 2004 but, on behalf of the Board, he thanked her for her contributions since becoming a Trustee in January 1994, in particular for her work on establishing the 'Frozen Ark' DNA storage project and leading the Visiting Group to Biomedical Sciences in 1996.

## Open session

### 743 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms Jana Bennett, Professor Christopher Leaver and Professor Jacquie McGlade.

### 744 ASSET REALISATION (TP 03/23)

The Director presented paper TP 03/23, which outlined a recent review of duplicates within the Museum's library holdings to see whether they could form a useful source of revenue. He was requesting guidance on the principle of making sales of duplicates rather than bringing specific proposals to Trustees at this point. He stressed that clearly, publicly defensible criteria for ascertaining whether items were genuine duplicates or not needed to be defined and widely understood.

Mr Stocken asked whether it was possible to apply revenue from sales of duplicates directly to the Darwin Centre. The Director replied that such revenues had to be applied to the enhancement of the collections under the terms of the British Museum Act 1963. However, such an application of funds could substitute for the grant in aid that currently funded collections development, thereby indirectly releasing funds for the Darwin Centre.

Professor Edwards raised the importance of considering the conditions attached to any donations of items to the Library and Trustees recognised that it was important to comply with donors' wishes.

Lord Palumbo emphasised that unless sales were handled sensitively, there could be an adverse effect on future donations.

Trustees agreed in principle that duplicate library materials might be sold in the future to generate revenue to the benefit of Museum collections. Trustees would require very specific proposals to come to them for any particular items and such proposals should take into account all of the concerns raised by Trustees in their discussion.

### 745 DARWIN CENTRE PHASE TWO (TP 03/24)

The Director introduced the update on progress with Darwin Centre Phase Two and outlined the areas where Trustees were invited to give their endorsement. He also informed the Board that the Darwin Centre Project Director, Mr Pellow, would be retiring in spring 2004. Mr Toy, as Deputy Director, would cover his post in the months after Mr Pellow's retirement. A substantive Project Director would be appointed at the appropriate time to manage the construction phase of the project.

#### i) Update on design

Mr Toy, Deputy Director of the Darwin Centre Project, provided an update on progress with the project design, mainly relating to the interior, including the allocation of space for work and public and the flow of visitors around the building. Ms Ament, Director of Communications & Development, gave a further description of developments on the visitor experience and how the Museum's science would be presented.

Trustees noted the developments and confirmed that they were broadly content with the way in which the design and construction were being taken forward. They agreed that work should continue to progress in this direction.

#### ii) Fundraising

Ms Whitaker, Head of Development, gave a verbal report on the current income position with regard to fundraising for Phase Two and informed Trustees that the revised project cost now stood at £72m. She then outlined the detailed process for taking the campaign forward in the coming year, including the role of Trustees in achieving a successful conclusion for the Museum. Trustees noted the progress to date, but with regard to the composition of the final target, Mr Stocken reiterated Trustees' decision earlier in the meeting, that the realisation of assets included within it was dependent upon their considering each request on an individual case by case basis, and that a fixed sum should not be assumed within the income scenario.

The Director thanked the Board for their assistance and contributions thus far and stressed the importance of their continuing commitment in the coming year in order to achieve the target for Phase Two.

#### iii) Contingency (TP 03/24a)

Mr Toy presented paper TP 03/24a, outlining progress to date with contingency planning, which had previously been considered by Finance Committee on 6 November. He reported that the contingency plan had been a recommendation of the Office of Government Commerce (OGC) Gateway Review of the Darwin Centre, undertaken in early 2003, in order to provide a fallback position in the event that insufficient funds were raised to carry the project forward. The plan had also been necessary to satisfy the Museum's own policy on identifying the risks associated with failure to accumulate sufficient funds.

Mr Stocken, as Chair of the Finance Committee, explained that, in effect, the contingency plan identified a range of realistic, but less costly options than those currently intended for Phase Two. The estimated costs for each option required further definition, but gave enough detail for the Finance Committee to debate the most appropriate course of action if the circumstances arose. It was clear that refurbishment was not a viable way forward, largely from a fundraising point of view, with which Ms Whitaker concurred, leaving the phased option as the most likely to be successful.

Trustees noted the recommendation from Finance Committee, and agreed that a proposal, based on the phased option E, would be worked up into a fuller document for presentation to Trustees at their next meeting in February 2004.

iv) Financial Report (TP 03/24b)

Mr Greenwood presented paper TP 03/24b, outlining the financial position of Darwin Centre Phase Two as at September 2003, which had previously been considered by Finance Committee on 6 November. A revised budget of £71.2m had been prepared based on giving notice to decant Entomology in September 2004 (with construction starting in January 2006), when it was forecast that £67m of the funding would be in place, leaving a shortfall of £4.2m to be found within approximately 4 years. The secured funding by September 2004 equated to 94% of the cost, which seemed a suitable working percentage that would be required to be in place.

The Chairman enquired whether running costs for Phase Two had been considered by Finance Committee, since it was noted that they were likely to be increased, with additional costs once the building opened. Mr Greenwood said that the additional requirement would be met by reallocating existing resources from other activities, and possibly volunteers. He added that the need to accommodate the additional running costs would be fully factored into the current year's budgeting and planning rounds as the costs would start to incur from 2007-08.

After discussion, and with Mr Stocken's recommendation, as Chair of the Finance Committee, Trustees agreed that a decision should be made in September 2004 on whether to go ahead with Phase Two, with 94% of secured funds, but that there would need to be a very clear indication of where, and by when, the additional 6% would be achieved. They confirmed their full support for the project, but emphasised that they would need strong assurance that there were sufficient funds available, and that the Museum would not be exposed to any unexpected cost, before they could make this final decision.

#### **746 LAS CUEVAS RESEARCH STATION, BELIZE (TP 03/25)**

Dr Lane outlined paper TP 03/25 which put forward a proposal for The Natural History Museum to withdraw as the lead partner in the management of the Las Cuevas Research Station in Belize. It was noted that the research station, which had been established in 1992 in partnership with the Forestry Department of the Government of Belize, had been a valuable resource for science research over the years, particularly on the biodiversity of dry Central American Forests, but that a number of issues, including diverging science research priorities, under-use of the facility by Museum staff and falling income, had significantly reduced the justification for investment of time and funds by the Museum.

Trustees agreed, particularly those who had visited Las Cuevas, that the facility had been an invaluable centre for biodiversity research, and appreciated the reluctance with which the recommendation to sever this link had been made by the science departments. However, they welcomed the realistic nature of the recommendation and endorsed the Museum's withdrawal as lead partner, but noted that the facility would still be available for individual scientists to utilise.

#### **747 HUMAN REMAINS (TP 03/26)**

The Director outlined the main features of the report to the Minister of Arts, from the Working Group on Human Remains of which he was a member. He explained that he had produced a statement of dissent and that he was the only person so to do. The Director emphasised his support for several of the report's main recommendations, including the need for legislative change to allow for discretionary return of human remains. He also reported his support for the setting up of a licensing authority and for developing a good dialogue with claimant communities. However, he summarised his opposition to principles of consent from the report which were tantamount to mandatory return. He explained that this was his prime concern. Other concerns included the setting up of an advisory panel and an unworkable recommendation on the procedures of consultation.

Lord Palumbo said that it was important to strike a balance between scientific benefits to humanity on the one hand and culturally based claims on the other and that such a balance was difficult to obtain since it was often seen as a balance between science and emotion. After a detailed discussion, Trustees gave their fullest support to the modified recommendations set out in the Director's paper and asked him to make this the basis of the Museum's response to the Minister's consultation exercise.

## 748 MINUTES OF THE MEETING OF 22 JULY 2003

The minutes of the meeting of the Trustees held on 22 July 2003 were confirmed and signed.

## 749 MATTERS ARISING FROM THE MEETING OF 22 JULY 2003

- Visitor Offer Strategy (TM 22 July: 729)

The Director reported that the strategy would not be considered at this meeting as there had been insufficient time since July to complete the work requested by Trustees. In addition, given that the strategy was closely linked to the corporate plan, which was to be presented to Trustees in February, it would be more meaningful to give a full report on the strategy to Trustees on that occasion instead.

## 750 DIRECTOR'S REPORT

The Director reported on the following subjects:

- i) **Theft of synthetic diamond.** The Director reported that the theft of a synthetic diamond on loan to the Museum from de Beers, had occurred on 24/25 August. The police, de Beers and DCMS had all been informed and, since the diamond had been registered under the Government Indemnity Scheme, Mr Greenwood was in the process of negotiating reimbursement. Sir Richard Sykes enquired why no alarm had been activated when the case carrying the diamond was broken. Ms Candlin responded that the risk level assigned to the case at the time of installation, several years ago, had clearly not been high enough, resulting in an inappropriate alarm specification, which would have covered it being smashed, but not prised apart.

Subsequently, DCMS, as the Museum's sponsoring body, had commissioned an independent report on the incident resulting in a report recommending a full review of all the Museum's security arrangements. Trustees endorsed the review and asked for a report of its findings in due course.

- ii) **Visitor numbers.** Visitor numbers had been impressively high during the summer, with 400,000 during August alone, many being drawn by the special exhibition *T: rex, the killer question*.
- iii) **Darwin Centre.** There were some notable successes for the Darwin Centre since the last meeting. Phase One had been awarded a prestigious prize by the journal *Business Week* and the American Institute of Architecture for jointly satisfying the delivery of business and of design excellence. The panel had been particularly impressed by the innovation of increasing the visibility of scientific research whilst achieving high numbers of visitors. Mr Pellow had attended the ceremony held at the Rockefeller Plaza in New York and accepted the award on behalf of the Museum. Phase Two had received two significant donations, £1.6m from the Marmont family, and £0.4m from the Wolfson Foundation. Trustees commended all those staff involved in these achievements.
- iv) **Science.** Trustees were pleased to note two achievements in the science departments. Firstly, the conclusion of negotiations for an Integrated Infrastructures Initiative within the European Commission. The SYNTHESYS project, a partnership of nineteen natural history collections-holding institutions, would draw together into a single resource a 'virtual' museum service including physical collections, analytical facilities and integrated databases. The Museum had lead the bid for €€13 million euros, of which it would receive 2.6 million euros, and Mr Higley, Head of Library and Information Services, had been appointed overall Project Manager. Secondly, the Museum had been awarded a number of Marie Curie Fellowships, which would enable eight post-doctoral students from Europe to work at The Natural History Museum. The Fellowship was worth 850,000 euros and totalled over fifteen working years. Trustees recorded their congratulations to Ms Pike, Manager of the Research and Consulting Office and her team for their hard work in achieving these awards for the Museum.
- v) **Economic impact study.** The Director reported that, over the summer, Mr Tony Travers, an LSE academic and Professor Stephen Glaister from Imperial College had undertaken a review of the impact of the Museum in economic, scientific and cultural terms. Overall, the report *Treasurehouse and Powerhouse*, which was due to be published in early December, showed that the Museum generated a £170-180 million spend from visitors, or £4 for every £1 of grant-in-aid awarded, thereby making a significant contribution to the UK economy. This important document would be circulated to Trustees once it was available and then used for lobbying key opinion-formers.

## 751 VISITING GROUP REPORTS (TP 03/27)

- i) 2002 Library and Information Services – progress review (TP 03/27a)  
Trustees noted the progress which had been made in implementing the recommendations made by the 2002 Visiting Group chaired by Mr Stocken.
- ii) 2001 Collections Management Theme – summary of progress since 2002 (TP 03/27b)  
Trustees noted progress against the recommendations. Unfortunately Professor Leaver, who was taking forward the recommendations from this report following the departure of the chair of the 2001 Visiting Group, Sir Crispin Tickell, from the Board of Trustees, was not present to provide further comment.

## **752 FINANCE COMMITTEE REPORT**

Since Mr Stocken had already left the meeting, Mr Greenwood reported that the Committee had considered papers on Darwin Centre Phase Two as discussed earlier in the meeting. They had also considered and recommended for approval the Museum's Annual Accounts for 2002-2003, based on this recommendation, Trustees approved the accounts.

## **753 AUDIT COMMITTEE REPORT**

Sir Richard Sykes, as Chair of the Audit Committee, had provided a verbal report of today's meeting of the Committee during the closed session.

## **754 LOAN APPROVAL (TP 03/28)**

Trustees considered a request which had been made for the loan of library materials to The Drawing Centre and the Yale Centre of British Art, both in the USA, for an exhibition entitled '*Ocean Flowers &c: The Victorian Spectrum of Graphic Media*'. They noted that terms and conditions had been agreed with the borrower, which met the policy criteria, then approved the loan.

## **755 REPORT ON MUSEUM ACTIVITIES (TP 03/29)**

Trustees noted the summary of developments across the Museum between July and September 2003.

## **756 PERFORMANCE INFORMATION (TP 03/30)**

Trustees noted the performance information report.

## **757 ANY OTHER BUSINESS**

Dr McLaren gave a progress report to Trustees on the Frozen Ark Project, which she had introduced to Trustees in November 2002 in order to garner their support. This had been forthcoming and first Professor Henderson, then Dr Lane, as Director of Science, had joined the Steering Committee to help take the project forward.

Dr McLaren circulated the project's mission statement to Trustees as a reminder that the main aim was to collect, preserve and store DNA and viable cells from animals in danger of extinction worldwide, in order to provide a central reference collection for future biological research and conservation. Progress to date included securing storage space for DNA both in the Museum's Zoology Department, and at the Institute of Zoology (who were able to provide the necessary liquid nitrogen until this was made available in Darwin Centre Phase Two). In addition, it was planned to make an application for charitable status, to set up a Trust, to appoint Trustees, and to acquire funding for the project, as well as to establish a laboratory at the Institute of Genetics at Nottingham University for research into the best methods of collecting, preserving and storing the DNA.

Trustees noted the significant progress which had been made by Dr McLaren and her team and re-confirmed their full support for this most valuable initiative.

## **758 DATE OF NEXT MEETING**

The next board meeting would take place on Tuesday 24 February at 10.00 at The Natural History Museum.