

THE NATURAL HISTORY MUSEUM

AT A MEETING ON

TUESDAY 27 NOVEMBER 2007

AT 9.30 A.M.

AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES

Oliver Stocken (in the Chair)
Daniel Alexander QC
Sir William Castell LVO
Louise Charlton
Professor Dianne Edwards CBE FRS
Professor Alex Halliday FRS
Ian Henderson CBE
Professor Jacqueline McGlade
Professor Georgina Mace OBE FRS
Sir David Omand GCB
Professor Linda Partridge CBE FRS FRSE

In Attendance

Dr Michael Dixon	Director
Sharon Ament	Director of Public Engagement
Rachael Casstles	Policy Advisor to the Director
Neil Greenwood	Director of Finance and Administration
Anna Cuss (Minutes)	PA to the Director and Secretary to the Board
Professor Richard Lane	Director of Science
David Sanders	Director of Estates
David Thorpe	Head of Audit and Assurance
Teresa Wild	Director of Policy and Planning and NHM at Tring

NB: a closed session took place for minute 1088 (iii)a.

1078 APOLOGIES FOR ABSENCE

Apologies for absence were received from Professor Michael Hassell.

1079 MINUTES OF THE MEETING OF 17 JULY 2007

The minutes of the meeting of the Trustees held on 17 July 2007 were confirmed as a true record.

1080 MATTERS ARISING FROM THE MEETING OF 17 JULY 2007 (TP 07/44)

Trustees noted the progress which had been made on items raised at the last meeting. In particular, since the Head of Events had recently resigned to take up a position at Vinopolis and there was potential for capital investment in the catering offer following the notification of increased grant in aid, the Museum was reconsidering the possibility of bringing catering in-house. Trustees would be kept informed of developments in this area over the coming year.

1081 CHAIRMAN'S REPORT

The Chairman reported on four items:

- (i) **Appointments** – on behalf of Trustees, Mr Stocken thanked Professor Hassell (who was absent) and Sir William Castell who were both retiring from the Board on 5 February 2008, for their contribution to the work of the Board during their terms of office. Professor Partridge was also standing down on 31 March 2008. There would be an opportunity to thank all three retiring Trustees at the Annual Dinner in 2008.

The appointment process for filling these three vacant roles was progressing well with 15 applications received thus far and sifts/interviews planned before the end of the year.

A request for Professor Mace's re-appointment for a further four year term from 6 February 2008 to 5 February 2012 had been submitted to DCMS for approval.

- (ii) **Board Assessment** – as all questionnaires had now been circulated, the Chairman requested that they be returned as soon as possible in order to allow analysis of the results to take place.
- (iii) **Overseas visits** – the Chairman had recently attended meetings in Dubai, regarding a potential commercial project, and in Paris, as a delegate at the Buffon Symposium (organised jointly with the Musée de Histoire Naturelle and Royal Botanic Garden Kew), celebrating the tercentenary of the birth of Buffon, the great French scientist and naturalist. A second symposium, to be hosted by the Museum in 2009, to mark Darwin's bicentenary, was now being planned.
- (iv) **Staffing** – the Chairman thanked Ms Casstles for her contribution to the Board as Secretary since she would be taking maternity leave from 13 December. He also welcomed back Ms Cuss on her return from maternity leave.

1082 DIRECTOR'S REPORT (TP 07/45)

The Director highlighted two items from his report:

Comprehensive Spending Review 2007 – although the formal notification was yet to be received, the Museum had been notified informally that it would receive increases to resource grant-in-aid, including additional funds to meet the running costs of Darwin Centre Two over three years, and to capital baseline grant-in-aid. In addition, the Museum's campaign for more capital grant-in-aid to complete Darwin Centre Two had been successful. The outcome was much more favourable than had been anticipated and Trustees congratulated all those who had been involved in supporting the Museum's advocacy programme and in the delivery of this excellent result.

Chief Scientific Advisor – since the submission of the Director's final report and recommendations to the Permanent Secretary at DCMS there had been no further news. It was likely that recent internal re-structuring at DCMS could affect how the recommendations were taken forward and how scientific advice might be provided to DCMS in the future.

1083 DECLARATIONS OF INTEREST

There were no declarations of interest.

1084 FINANCE

(i) **Financial review for the period April 2007-October 2007 (TP 07/46)**

Mr Greenwood presented the report detailing actual expenditure to October 2007, comparing with the annual forecast and original budget approved by Trustees in November 2006. The forecast year end outturn was above original budget, reflecting the release of funds previously designated as contingency for Darwin Centre Phase 2 and human remains legal fees. It also accommodated an expected shortfall in Admissions income.

(ii) **Provisional 08/09 Budget (TP 07/47)**

Mr Greenwood presented the draft budget for 2008/09. The draft had been prepared largely on the basis of planning discussions held in October, when the anticipated outcome of the comprehensive spending review was not expected to be favourable. However, the recent announcement and informal notification of capital grant in aid allocation had led to a significant uplift in the overall funds at the Museum's disposal and less pressure on the budget from potential cash flow difficulties associated with Darwin Centre Phase 2. Consequently, the sums available for expenditure were far in excess of the total of the priority items which had been identified in October.

With these recent and welcome developments in mind, Trustees agreed that there was further work to be carried out on the budget before it could be approved. The draft budget was therefore noted and only provisional approval given to departmental expenditure, pending the submission of a revised budget showing major projects and developments over the period of the settlement and anticipated capital expenditure against them, at the next meeting on 4 March.

1085 DARWIN CENTRE PHASE TWO MANAGEMENT REPORT (TP 07/48)

Mr Henderson, presented an update on all elements of the Darwin Centre Phase Two programme. In short, costs were slightly in excess of budget, but within pledged funding levels. Main construction remained scheduled for completion in mid July 2008 and the public offer elements were progressing well in line with the planned fit out to commence in September 2008.

Mr Henderson and members of the project team had visited Denmark recently to see at first hand some of the other projects carried out by architects C F Møller. The need to continue to work together closely to ensure that design and purpose were fully joined up was clearly illustrated by viewing these completed projects in use.

Trustees agreed that a further site visit to Darwin Centre Phase Two at their March meeting would be welcomed.

1086 AUDIT COMMITTEE REPORT

Sir William Castell, as Chairman of the Audit Committee, reported verbally on the main discussion points of the meeting held on 6 November.

The Committee discussed the financial overview and progress with the Museum's current primary risk, Darwin Centre Phase 2. Both were found to be satisfactory at present. Also considered were:

Staff rotation – staff retention was a continuing concern causing slight delay to the programme of work. Consideration was being given to rotation of staff between Audit and Finance to alleviate this issue. In addition, the level of staffing in the Finance department was being reviewed to ensure adequate coverage at year end.

Fraud Awareness, Prevention and Detection Mechanisms – it was agreed that the profile of fraud identification and awareness needed to be maintained at a high level. The Chairman would attend an NHM update for all staff to raise this issue.

Restless Planet – there was no change to the current level of outstanding debt.

Changes to the Provision of External Audit for the NHM – the Museum's external audit was to be outsourced by NAO to Pannell Kerr Forster (PKF), most probably to benchmark NAO costs against the private sector. However, the Museum would continue to deal directly with NAO who remained the Museum's auditors.

Pensions Administration and associated risks- this had recently been reviewed by Audit and Assurance and the systems found to be managed adequately.

Business Continuity and Crisis Management – the Committee received a presentation on current work, given its identification as a major corporate risk. There was further work to be done on scenario testing and levels of staff awareness.

1087 PUBLIC ENGAGEMENT GROUP

- (i) **2nd Quarter update (TP 07/49)**
Ms Ament raised two items from her report:

Real World Science Conference – the conference held in November was attended by 150 delegates including the Minister of State for Culture, Media and Sport, the Rt Hon Margaret Hodge MP, demonstrating significant success in advocacy and the Museum's efforts to establish itself as a leader in the field of secondary science education.

Gallery and exhibition developments – as well as ongoing improvements to public exhibition areas, plans were under development for new galleries. The recent opening of The Vault displaying some of the Museum's most precious minerals and meteorites had been a great success. Plans were now underway to provide increased access to the Museum's art and illustrations collections in the Spencer Gallery. Although the current special exhibition Ice Station Antarctica was under target on admissions, it was providing useful information for future planning in terms of levels of charge, visitor targets, touring income and appeal of subject matter.

- (ii) **Falcon Project (TP 07/50)**
An update was given on the project for which the Museum had now submitted its final feasibility report. Trustees were supportive of the Museum's commitment to this point and gave their view on the nature and level of future involvement. They asked to be kept informed of any developments.

1088 SCIENCE GROUP

- (i) **2nd Quarter update (TP 07/51)**
Professor Lane highlighted two points from the report:

Human Remains – the Museum continued to keep in close contact with representatives from New Zealand and Australia in particular. In relation to the most recent case, despite considerable efforts on the technical side to facilitate the return of DNA samples to Tasmania, this had not yet been possible due to legal hold ups. The Museum hoped in future to develop a more proactive approach than had hitherto been possible by the creation of a Human Remains Unit within the Palaeontology Department, mirroring those present in most North American museums. Funding for the unit had not yet been agreed.

Grant performance by department – Trustees held a detailed discussion on the performance outturn for the quarter as presented in the paper. It was agreed that more explicit information was required on applications made and success rates achieved, as well as previous quarter comparisons, to enable them to assess whether performance was satisfactory. Professor Lane recommended that this discussion be continued in more detail at the science session during the afternoon.

(ii) **Radioactive specimens (TP 07/52)**

Dr Lane reported that increasingly stringent regulations for handling radioactive material, as well as heightened security requirements would force the Museum to make substantial investments to render its important collection of radioactive specimens accessible. Since such costs might not be justifiable in the foreseeable future, Trustees approved the long-term loan of the collection to the Atomic Weapons Establishment at Aldermaston (Ministry of Defence). This loan would not only ensure that the material was housed in the safest and most secure way, but also make it available for research and reference.

(iii) **Visiting Groups**

(a) Botany Report and Management Response (TP 07/53)

Trustees held a closed session discussion, with only the Director, Professor Lane and Ms Cuss in attendance. Professor McGlade led a more detailed discussion of Recommendation 1 and the proportionality of the management response to it. It was agreed that Professor Lane, the Director and the Keeper of Botany should meet as soon as possible to formulate the appropriate way forward. An update on progress would be made to the Board at the March meeting.

(b) Proposal for Visiting Group to Mineralogy (TP 07/54)

Trustees agreed that the Department of Mineralogy should be the subject of the next Visiting Group in 2008 and identified Professor Halliday as Chair to work with the Director of Science to refine the terms of reference and membership of the Visiting Group as recommended in the paper.

(iv) **Approval of Honorary Research Fellows (TP 07/55)**

As part of the scheme endorsed by the Board, Trustees approved the appointment of Professor Paul Selden as an Honorary Research Fellow in the Department of Palaeontology. Professor Selden FLS, a leading international authority on the systematics of fossil insects, had pursued a long research career at the University of Manchester before, on his retirement, joining the Palaeontology Department in 2006 as a Scientific Associate. His contribution to the Museum and its research was, and continued to be, substantial.

1089 DCMS INDICATORS AND CORPORATE KPIs (TP 07/56)

The report, to end of September 2007, was presented in two sections – part 1 reflecting actual performance against DCMS target indicators specified in the current Funding Agreement, and part 2 reflecting actual performance against self-selected target key performance indicators measuring progress against the Corporate Plan.

With respect to part 1, Trustees noted that:

- visitors numbers were down on the previous financial year, but that this correlated to the reduction in overseas visitors coming to the Museum. This was further supported by the ever-growing visitor numbers to the Natural History Museum at Tring, which was cushioned from overseas visitor trends. The potential knock on effect on visitor related income was acknowledged.
- despite a decrease on the previous year for visitors from lower socio-economic groups, numbers were already exceeding target.
- whilst visits by children were slightly higher than last year, the number of educational contacts had fallen, but this could be attributed to deliberate re-positioning of hands on trolleys to areas of lower throughput to encourage deeper educational experience and reallocation of resources to deliver the DC2 learning components of the public offer.

Under part 2 it was noted that, in this first year of measurement there was relatively little to compare with the previous year against the majority of indicators. However, the Museum was generally achieving around 50% of target where performance was measurable on a steady annual cycle.

1090 HEALTH AND SAFETY REPORT (TP 07/57)

Trustees noted the report, which showed a significant improvement to the rolling year rate over accident rates in 2006/07. Trustees noted in particular the delivery of a shared Health and Safety Service to the National Museum of Science and Industry, which was due to commence in January 2008. Further interest had been expressed by other museums and a presentation would be made to Trustees should the opportunity to increase this service expand significantly.

1091 AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 07/58)

The rolling agenda for future meetings was noted.

1092 EVENTS DIARY (TP 07/59)

Trustees noted the diary, with the addition of the Annual Trustees' Dinner (date to be confirmed) and a more specific date for the official opening of Darwin Centre Two (September – November 2009)

1093 ANY OTHER BUSINESS

The Director reported that the Museum had been approached by DCMS as a potential venue for the siting of a permanent memorial to the victims of the Tsunami Disaster which had taken place on Boxing Day 2006. Subject to the clarification of Christmas opening requirements and ongoing upkeep costs, Trustees indicated that they were well disposed towards the approach should the opportunity arise to take it further.

1094 PROJECT FALCON PRESENTATION

Following on from the update given earlier in the meeting, Ms Ament gave a more detailed presentation on the latest project plans.

1095 SCIENCE STRATEGY 3 YEARS ON

Dr Lane updated Trustees on the delivery of the Science Strategy approved by the Board in 2004.

1096 DATE OF NEXT MEETING

Tuesday 4 March 2008 at 0930 at The Natural History Museum.