

No 201

THE NATURAL HISTORY MUSEUM

AT A MEETING ON

THURSDAY 29 SEPTEMBER 2005

AT 2.00 P.M.

AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES

Professor Sir Keith O’Nions FRS (in the Chair)
Sir William Castell LVO
Professor Dianne Edwards CBE FRS
Professor Michael Hassell CBE FRS
Dame Judith Mayhew Jonas DBE
Professor Christopher Leaver CBE FRS
Professor Georgina Mace OBE FRS
Mr Oliver Stocken
Sir Richard Sykes FRS

Dr Michael Dixon
Ms Anna Cuss (Minutes)

Mr Paul Brereton, Mr Neil Greenwood, Dr Richard Lane, Mr David Thorpe, Mr Richard Toy and Ms Teresa Wild were in attendance.

903 APOLOGIES FOR ABSENCE

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

The minutes of the meeting of the Trustees held on 12 May 2005 were confirmed and signed.

904 CHAIRMAN’S REPORT

Business of the meeting. The Chairman confirmed to the Board that the meeting was an extraordinary one, arranged to address a specific decision in the development of the Darwin Centre Project. He welcomed Mr Richard Toy, Darwin Centre Project Director, to the meeting.

Trustees noted that Mr Ian Henderson was unable to attend the meeting, but received assurance from the Chairman, that Mr Henderson had, as Chair of the Darwin Centre Phase Two project Trustees’ Sub Committee, had full involvement in the preparation of papers for the Board and therefore fully supported the proposals therein.

Human Tissue Act. The Chairman also reported that the Museum had received confirmation from DCMS that the Culture Minister, David Lammy, had agreed to bring Section 47 of the Human Tissue Act into force on 3 October. After this date, Trustees would have the authority, if they wished, to de-accession material from the collections in response to claims from indigenous groups.

Trustees recognised that there were likely to be a number of requests at an early date and agreed the following course of action. Each claim would receive an initial acknowledgement with confirmation that a decision would be made pending provision of clarification on the exact specimens required. Details would, in the first instance, be passed to the Keeper of Palaeontology for a scientific case to be made for retention or disposal, then both pieces of information would be submitted to an Advisory Panel on Human Remains. A recommendation from the Panel would be forwarded to Trustees for their final decision. The date for this final decision would be made known to the claimants.

Trustees had, at their July 2005 meeting, given their broad acceptance to a proposal for the constitution of an Advisory Panel. Following subsequent discussion with the Chairman, it was now proposed that the Chair of the Advisory Panel be independent, but that a Trustee and the Director of Science become ex officio members. Professor Mace agreed to be the nominated Trustee on the Panel.

Dr Lane provided a list of potential candidates for the remaining members of the Panel. Whilst Trustees agreed that input from individuals with a tangible connection with indigenous groups would be advantageous, for practical reasons, such as availability

to attend meetings in the UK, it was felt that this would be better performed in an advisory capacity. This would also allow input from a wider range of experts, in a similar way, from those areas of the world likely to apply for return.

Trustees asked Dr Lane to proceed with approaching the proposed candidates, primarily Professor Sir Bob Heppel as Chair.

905 DIRECTOR'S REPORT

The Director reported on the following subjects:

- i) **Director of Estates.** A Director of Estates had now been appointed. Mr David Sanders, currently Director of Estates at Kingston University, and with previous experience of Estates management for a number of healthcare trusts, would be starting at the Museum on 1 November 2005.
- ii) **Impact of 7 July.** Following the bomb attacks on London on 7 July, it was clear that there had been a significant impact on visitor levels. Admissions to the Museum in August 2005 were approximately 25% lower than August 2004 with a knock-on effect on retail and catering spend. However, evidence from September admission figures to date showed that visitors were returning, with levels now approaching those of September 2004. Together with funds from some of the Museum's other income generating activities, such as London Fashion Week and the Ice Rink expected in the coming months, it was likely that the impact of 7 July would not adversely affect the overall year-end outcome.
- iii) **Corporate Plan/Annual Review.** Work was in progress on these two key documents, with publication of the Annual Review expected to coincide with the Public Open Meeting in mid-October. The Corporate Plan would follow later in the year and the Director informed Trustees that senior management would be holding a Planning Conference in mid-October to convert the Plan into actions for delivery.
- iv) **Funding Agreement.** The Museum had been invited to submit a draft Funding Agreement to DCMS in early October. Though the future funding situation was not completely clear because of the lack of a Spending Review in 2006, it seemed likely that there would be little additional money available.

The Chairman added that given current Government objectives for Science there was some evidence that the Museum might receive a more favourable settlement. The Director confirmed that the latest Annual Review and Corporate Plan would be circulated to a variety of Government Departments and that every effort would be made to make clear the way in which the Museum's objectives for Science could contribute to other Departmental targets, beyond those of DCMS.

- v) **Board Assessment.** The formal assessment being carried out as part of the Corporate Governance review was now underway and Trustees had recently been given the opportunity to complete a questionnaire on their view of the way the Board worked. Following interviews with a selection of Trustees, external consultant Justine Brewood would present her findings to the Board at the next meeting on 17 November.
- vi) **Forthcoming events.** The Director reminded Trustees of two important events coming up in the next month – the Public Open Meeting on 18 October, and Wildlife Photographer of the Year Awards on 19 October. Trustees were invited to both events and he hoped they would attend.
- vii) **Sue Kidd.** Trustees were aware that Sue Kidd, who had for a short period been Acting Director of Human Resources after the departure of David Hill, had been away from the Museum on long term leave to look after her husband during a serious illness. It was, therefore, with great sadness that the Director reported that Stuart Kidd had died on 25 September.

906 DARWIN PHASE TWO PROJECT

- (i) Paper from Mr Henry Barlow (DG 05/26)

Trustees considered a paper from Mr Henry Barlow, a Trustee of the UK-registered charity 'Friends of the Natural History Museum', in which he set out his concerns about proceeding with the Darwin Centre Two building as planned, including whether it was necessary to replace the existing Entomology Building, whether it would cater adequately for the needs of research entomologists in the future and whether sufficient funds were in place to take the project forward. To assist Trustees in their discussion, the Director circulated a version of Mr Barlow's paper, including responses to some of his points by Dr Mike Fitton, Darwin Centre Phase Two Science Project Manager,

After a full and frank discussion supported by answers to questions from the Darwin Centre Project Director and Director of Science, Trustees agreed that the issues which Mr Barlow raised were important. Nevertheless, the Museum had a duty to protect and care for the internationally important collections held by the Entomology and Botany departments as well as to promote the Museum's scientific activity by increasing public access. Trustees were in agreement that the Darwin Centre provided the means to perform these duties, since the current building demonstrated no effective environmental control or fire management. The options for future housing of the entomology collections had been considered by the Board some time ago and it had already been concluded that refurbishment of the existing building was not a viable option.

Trustees asked the Director to contact Mr Barlow after the meeting, to inform him of their decision on the outcome of the meeting. Given his commitment to entomological research and his passionate interest in the future of research at the Museum, the Director should invite Mr Barlow to visit him in person when he was next in London to discuss both how he might be involved in the project and how the Museum's relationship with the Friends' might develop in the future.

(ii) Project Director's Report (DG 05/27)

Mr Toy gave an update on the current situation. The decant works were largely complete and the design team were now working on completing Stage F (Production Information) of the design for the main project, which would include a full cost and risk review.

Interviews had taken place on 10 August to select a preferred contractor for the main works. A shortlist of three contractors, were selected for final interview, though one had withdrawn prior to interview by mutual agreement. Following a rigorous process, concluding with the interview, HBG were selected as the preferred contractor. This choice, based on team profile and value for money, was confirmed by the Trustees' Sub Committee with the aim of concluding negotiations by the end of September and issuing a letter of intent to proceed to Stage 1 (an 'Open Book' procurement process designed to achieve an agreed fixed price) following the Board meeting.

A review of the commercial opportunities presented by the project had been undertaken, concluding that there was limited potential for visitor catering or retail, and therefore no income had been projected from any of these sources. However, there might be future potential for some events-generated income, subject to the establishment of a kitchen facility at the western end of the NHM campus outside Darwin Centre Phase Two. In addition, opportunities for placing advertising hoardings on the main scaffolding during construction and for tactical catering in the garden area at a later stage were also being investigated.

Trustees discussed issues arising from the report and made the following points:

- It would be essential to satisfactorily complete the due diligence on HGB's financial status and commitment to the project. In particular, parent company assurance should be sought at the earliest opportunity. Mr Toy confirmed that he was in close contact with HGB's financial director and would be discussing this in detail over the coming days. If sufficient assurances were not forthcoming, then the Museum could release itself from any obligation to HGB up until the decision to proceed to Stage 2 in February 2006.
- *[This section to be made available in December 2009]*
- Trustees asked about the environmental practicalities of demolition. Mr Toy confirmed that there was a negligible amount of asbestos in the building and that most of the material was recyclable to the extent that the whole building would only produce around five skips of landfill.
- Professor Leaver enquired on whether potential rises in energy costs had been incorporated into the worst case scenario. Mr Greenwood confirmed that allowances had been made for increased running costs, but this was a Museum-wide issue and would be treated as such when setting the budget for coming years.

(iii) Trustees' Sub-Committee Minutes, 21 September 2005 (DG 05/28)

Trustees noted the minutes, which gave further information in support of the Project Director's Report.

(iv) Funding Position (DG 05/29)

[This section to be made available in December 2009]

Having considered the current stage that the project had reached, including the full financial position, Trustees unanimously agreed that:

- demolition of the existing Entomology Building should commence as scheduled in October, particularly since the vacant building now represented a liability
- a Letter of Intent to proceed to Stage 1 be issued to the main contractor, subject to satisfactory completion of a due diligence exercise. Trustees were particularly keen that the contingency was set at the appropriate level, though it was recognised that the final financial position would not be known until January. Trustees stressed that once it was known, the cash flow must be discussed fully with DCMS to give assurance that full funding for the project would be forthcoming.

They then congratulated the team working on the DC2 project for advancing the project to its current stage. This was vital to the modernisation of the Museum and would thereby ensure its future.

vi) Letter to DCMS

The Director informed the Board that an anonymous letter, expressing concerns about the Darwin Centre Phase Two project, had been sent to DCMS and other stakeholders. The letter included a number of factual inaccuracies and some exaggerated allegations against senior staff and by inference the Board of Trustees. After considering a copy of the letter, Trustees agreed

that they were satisfied with the evidence that they had received during the meeting. The Director would write to DCMS, outlining the outcomes from the Board meeting.

907 APPOINTMENTS TO THE BOARD AND CHAIR (TP 05/30)

The Chairman confirmed that, following an individual, in confidence, discussion with each member of the Board, the clear favourite to emerge to succeed him Chairman to the Board on 1 January 2006, was Mr Stocken. Trustees gave their unanimous support for this outcome and congratulated Mr Stocken, who accepted the appointment with pleasure. He would serve an initial term of four years with an option for re-appointment to a second.

The Chairman would write to the Department for Culture, Media and Sport (DCMS) to inform them of the appointment and it would be announced to the public thereafter.

In terms of the other vacancies arising on the Board, Trustees noted that a recommendation for the Royal Society nomination to the Board, to replace Professor Leaver on his retirement at the end of February 2006, had now been received from the President. The Chairman would forward this recommendation to DCMS for confirmation by the Secretary of State.

Trustees considered the draft role specifications for the remaining three vacancies, two Prime Ministerial and one co-option, as suggested by the Nominations Committee, and made some minor amendments. The vacancies would be advertised publicly with a view to making appointments to all three by the end of the year. Trustees were invited to contribute to the process by putting forward names of suitable candidates who might be invited to apply, bearing in mind the need to ensure that the Board adequately reflected wider society. Therefore, recommendations from the more under-represented parts of society including women, people from ethnic minority backgrounds and disabled people, were particularly welcome.

Trustees noted that the forthcoming retirements from the Board would necessitate consideration of membership of key Trustee Committees and that this would require further thought later in the year.

A progress report would be made to Trustees in November.

908 ANY OTHER BUSINESS

There were no items.

909 DATE OF NEXT MEETING

Thursday 17 November 2005 at 1000 at the Natural History Museum.