

THE NATURAL HISTORY MUSEUM

AT A MEETING ON

THURSDAY 30 SEPTEMBER 2004

AT 3.00 P.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 Jacquie McGlade
Dame Judith Mayhew Jonas
Lord Palumbo
Professor Linda Partridge FRS
Mr Oliver Stocken

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

Ms Sharon Ament, Mr Neil Greenwood, and Dr Richard Lane were in attendance. Mr Richard Toy (Acting Project Director, Darwin Centre) and Ms Caroline Whitaker (Head of Development) were in attendance for paper TP04/31.

823 Closed session

The Director gave a verbal report on follow up to the PricewaterhouseCoopers (PwC) investigation into procurement issues in the Museum and to the work of the Independent Group established to review the events surrounding the commissioning, undertaking and conclusions of the PwC report.

He confirmed that the Museum's management response and action plan in relation to the PwC report would be presented to the Board at their next meeting on 11 November. It would also be forwarded to the Department for Culture, Media and Sport (DCMS) to keep them informed.

He also reported that he had, together with the Chairman and Suzanna Taverne, a member of the Independent Group, made presentations to staff on 27 and 29 September on the work of the Independent Group and how its conclusions would be taken forward. The finalised Independent Group report with action plans to address its recommendations would also be circulated to the Board on 11 November.

Open session

824 CHAIRMAN'S REPORT

Wellcome Challenge

The Chairman reported that the Museum had recently received formal written notice from the Wellcome Trust Governors that their grant of £10 million towards Darwin Centre Phase Two had been re-endorsed. Trustees recorded their congratulations to all those staff who had contributed to this positive result.

Minutes

The Chairman confirmed that, since this was an extraordinary meeting, minutes of the meeting held on 27 July 2004 would be considered at the next regular Board meeting on 11 November 2004.

825 APOLOGIES FOR ABSENCE

Apologies for absence were received from Sir William Castell LVO, Professor Georgina Mace OBE FRS, and Sir Richard Sykes FRS.

826 THE DARWIN CENTRE PHASE TWO (TP 04/31)

The Chairman reminded Trustees that they had, at their meeting on 27 July 2004, agreed to underwrite the gap in funding for the Darwin Centre Phase Two project in order to meet the requirements stipulated by the Wellcome Trust in re-endorsing their £10 million pledge to the project. Trustees had requested that, once a positive response was received from the Wellcome Trust, they would consider further information on how to proceed with the project. With that endorsement now confirmed, paper TP 04/30 provided information on the future management of the project within the normal business of the Museum, information and commentary on the current financial position and a summary of how the building would fulfil its required purpose.

The Director then chaired a presentation of this information. He stated that with the positive result from the Wellcome Trust and confirmation of how the remaining £57 million would be raised, the financial position was now clear. Mr Greenwood gave a further explanation of how cash flow would be managed throughout the life of the project. In planning terms, Stage E (the fully coordinated design) was now complete, and authority for granting listed building consent for Phase Two had been delegated to the Royal Borough of Kensington and Chelsea (RBKC) by English Heritage. Tenders had now been received for the project management function following OJEC procedures and shortlisting was in process with a view to making an appointment by the end of October. Finally, the Director gave an outline of how key recommendations and decisions would be reported to Trustees during the project, including the proposed engagement of an independent advisor to Trustees.

Minded that they were asked to approve decant and demolition of the existing Entomology building, Trustees raised a number of issues:

- Trustees asked for reassurance that the £57 million which the Museum hoped to realise through fundraising and other resources was achievable. Ms Whitaker confirmed that there was a realistic level of confidence in the sources identified. The only area which might be less easy to predict was the fundraising campaign in the United States, and as this was recognised, it would be monitored closely. In response to a question on the efficacy of a European campaign, Ms Whitaker confirmed that they were following up a number of contacts, but these were not essential to the success of the main fundraising campaign.
- Mr Stocken asked what work had been done on risk management of the financial position. Mr Greenwood confirmed that the approval required from Trustees at this stage was for the decant and demolition. No further financial commitments would be made without increased certainty on income and costs or full Trustee approval. Any movement in costs caused by inflationary changes, for example, would be covered by the £2 million contingency currently written in for emergencies.
- Professors Leaver and Partridge enquired how the decant of Entomology would affect the scientific goals presented by Dr Lane at an earlier meeting. Dr Lane assured Trustees that the experience of decanting Zoology during Phase One had been carefully monitored and that it gave a useful insight into how to maintain scientific activities through a time of necessary disruption. Careful planning in close cooperation with staff had eliminated many of the problems which might be envisaged. There were some reservations, but this was not unusual and the new Head of Entomology, Dr Quentin D Wheeler was committed to the project. Professor McGlade added that it would be important to maintain levels of scientific and public visitors alike during this time.
- Professor McGlade requested that good environmental practice was observed during demolition and construction work. Mr Toy confirmed that good practice was a criterion for the selection of a project manager and that this had been followed closely during the demolition of the Spirit Building and construction of Phase One.

With these points, Trustees confirmed their ongoing support for the project and specifically:

1. Provided formal approval for the commencement of the decant programme and demolition of the existing Entomology building
2. Agreed the continuation of design work and preparation of main contract tendering

During their discussion, Trustees considered a submission from Mr d'Abrera, who was an associate of the Entomology Department, setting out an alternative future for the Entomology collections. Trustees noted the proposal, but were minded to pursue Darwin Centre Phase Two in line with the decision that was made.

827 STAFF APPOINTMENTS

The Director reported that Mr David Hill, the current Director of Human Resources, would be leaving the Museum later in the autumn, to take up a post as a Director of HR and Corporate Development in the health sector. Trustees gave their approval for the process of seeking a replacement to begin. Professors McGlade, Partridge and Hassell all expressed their willingness to assist as a member of the interview panel if required.

828 DECLARATIONS OF INTEREST (TP 04/32)

Trustees were aware that a letter had recently been received from Sue Street, Permanent Secretary at the Department for Culture, Media and Sport (DCMS), requesting information on how the Museum currently addressed conflicts of interest, and providing some suggestions on how procedures might be tightened in the future.

Following discussion, Trustees agreed that:

- Annual declarations of current interests should be signed off by each Trustee in hard copy
- The Head of Internal Audit should provide an assessment relating to the interests of Trustees to Audit Committee annually and on a confidential basis
- The review of governance currently in progress should consider the need for a formal document setting out the process for addressing conflicts of interest, and for making improvements to the induction process

Recognising their obligations under the Freedom of Information Act, Trustees also confirmed that they were content for their declarations of interest to be published on the Museum's website.

829 DATE OF NEXT MEETING

Thursday 11 November 2004 at 10.00 at The Natural History Museum.