

No 212

THE NATURAL HISTORY MUSEUM

AT A MEETING ON

TUESDAY 4 MARCH 2008

AT 9.30 A.M.

AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES

Oliver Stocken (in the Chair)
Daniel Alexander QC
Louise Charlton
Professor Dianne Edwards CBE FRS
Professor Alex Halliday FRS
Ian Henderson CBE
Professor Georgina Mace OBE FRS
Sir David Omand GCB

In Attendance

Dr Michael Dixon	Director
Sharon Ament	Director of Public Engagement
Joe Baker	External Relations Manager
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

Closed session

1097 VISITING GROUP TO BOTANY 2007 – UPDATE ON PROGRESS

Trustees met in closed session with only the Director, Ms Cuss and Professor Lane in attendance. Professor Lane updated Trustees on progress with addressing Recommendation 1 from the report. There had been considerable open and frank discussion with the Keeper and Department on how to address the issues which had arisen. Trustees felt that it was important for the Department not to become fragmented by the impending move of some staff to Darwin Centre Two. They therefore recommended the introduction of team building skills for the Department, perhaps with some assistance from an external facilitator. Professor Lane agreed to take this forward and report back to the Board in July on progress made.

Open session

1098 APOLOGIES FOR ABSENCE

Apologies for absence were received from Professor Jacqueline McGlade and from Professor Linda Partridge. The Board noted that this would have been Professor Partridge's final meeting before her retirement on 31 March 2008, therefore thanks were recorded for her contribution over her eight years' term of office. Professor Partridge was unable to attend the Trustees' Dinner in April and would therefore be invited to the dinner in 2009 for a formal farewell.

1099 MINUTES OF THE MEETING OF 27 NOVEMBER 2007

The minutes of the meeting of the Trustees held on 27 November 2007 were confirmed as a true record.

1100 MATTERS ARISING FROM THE MEETING OF 27 NOVEMBER 2007 (TP 08/01)

The Board noted a number of items arising from the last meeting:

Catering – a decision had been taken not to pursue the option of in-house catering in the immediate future and therefore the tendering process had begun for the catering concession. Trustees noted that this action was necessary to ensure more immediate provision of an improved facility for visitors.

Fraud Awareness – the Director confirmed that he had, as requested by the Audit Committee, raised the issue of fraud awareness at a recent quarterly update. It was also now embedded in his induction address to new staff.

Falcon Project – Ms Ament confirmed that negotiations over the detail of the Museum's proposal were still in process. A further report would be made to Trustees at the next meeting.

Human Remains Unit – the Unit was in the process of being established, with the appointment of two new members of staff to support it, one administrative and the other a more senior and proactive role. Trustees noted that there were still some outstanding requests for return, including an overarching request from Australia for all indigenous Australian material held by the Museum.

1101 CHAIRMAN'S REPORT

The Chairman reported on two items:

(i) **Appointments to the Board (TP 08/02)**

The Chairman reported on progress to fill the three vacancies on the Board. Recommendations for the two Prime Ministerial appointments had been put forward to the Minister for approval by the at the end of January prior to final confirmation by No 10. A response was pending. For the third vacancy, the Board ratified the co-option of Professor Sir Roy Anderson, Professor of Infectious Disease Epidemiology in the Faculty of Medicine at Imperial College, and Rector Elect of Imperial College. Professor Sir Roy would serve an initial 4-year term from 1 April 2008 to 31 March 2012. A press release would be issued to this effect.

Trustees also noted that Professor Mace's re-appointment for a further four-year term from 6 February 2008 to 5 February 2012 had been approved by the Prime Minister's Office on 6 February 2008.

With the retirement of three members of the Board, there were consequent vacancies to be filled on the Museum's key committees. Trustees therefore approved the following appointments to committees:

Remuneration Committee - Professor Halliday and Daniel Alexander to become members (as from 4 March 2008)

Nominations Committee – membership would be re-considered at the next round of appointments

Audit Committee – Sir David Omand to become Chairman (as from 6 February 2008); Mr Mark Richardson, Partner with Deloitte & Touche be co-opted to join the committee (as from 9 May 2008) on the retirement of Mr Michael Sheasby

Darwin Centre Two sub committee – Louise Charlton to join the committee with a specific brief of advising on how to maximise the brand shift component (as from 16 April 2008)

Trading Company – a new member to be identified by Mr Greenwood.

(ii) **Board Assessment (TP 08/03)**

Following circulation of questionnaires in October 2007, the majority of Trustees had now responded by returning the questionnaire, by email or by telephone conversation. Trustees noted the issues raised and the suggested response from management to address them. Three points were considered in particular:

1. The Chairman suggested that, in order to give Trustees more opportunity to meet each other informally, there should be an early breakfast preceding each Board meeting.
2. The Director confirmed that Board papers would, in future, provide a more explicit summary, purpose and recommendation sheet
3. Ms Charlton requested a glossary of terms for the Science update paper, in particular for the benefit of non-scientists

Finally, Trustees noted that, as agreed previously, next year's Board assessment would be conducted by an external party.

1102 DIRECTOR'S REPORT (TP 08/04)

The Director highlighted a number of items from his report:

Trustees' Strategy Day – a main purpose of the day would be to discuss the Corporate Priorities for 2008/09 and beyond and how the Museum would prioritise resources in pursuing them. The Director would contact Trustees separately to gauge any additional input to the agenda.

Museum Authors – Trustees noted the success of Richard Fortey’s account of his 35 years employment in the Museum, ‘*Dry Store Room No 1 – The Secret Life of the Natural History Museum*’. Professor Chris Stringer had also been successful in being awarded the 2008 Kistler Book Award by the Foundation for the Future for his account of the AHOB project *Homo Britannicus*. The Director reported that a recent book signing of *Life in Cold Blood* by Sir David Attenborough had attracted huge interest.

Investors in People – Trustees were aware that the Museum had been working towards achievement of the standard during the course of the fiscal year. The assessors were due to visit the Museum during the week commencing 21 April to conduct their formal assessment. There was a good level of confidence that this standard, which had important benefits for the Museum, would be achieved.

1103 OUTSOURCING OF SERVICES (TP 08/05)

Trustees were aware that the Museum had been reviewing opportunities to increase the effectiveness of procurement of goods and services delivered by the Estates Department. Most recently, a period of market testing had been undertaken on the potential outsourcing of housekeeping, mailroom, goods-in and portering services and the results presented to the Museum’s senior management team, Directors’ Group. Having considered the documentation, Directors’ Group gave their support to the recommendation to outsource on the basis that it addressed efficiencies in delivering services on a shared basis, would improve service delivery and provided significant savings over time.

Trustees noted the implications of moving to an outsourcing arrangement, including the negotiations which were ongoing with the Public and Commercial Services Union (PCS). They also asked for, and received, assurances on concerns over security of collections, were content with the management team’s decision to proceed to outsource and regarded the decisions taken in pursuance of this policy to be correct.

1104 DECLARATIONS OF INTEREST AND REGISTER OF INTERESTS (TP 08/06)

The Audit Committee had, at their meeting on 5 February reviewed the NAO Related Party Disclosures document. Within the recommendations for the Audit Committee was the requirement to regularly review the arrangements for maintaining and compiling the registers of interest and to complete an annual review of the register of interests for the Board of Trustees and senior management and compare those registers with related party disclosures. Although the Board’s register of interests was updated on an annual basis, it was agreed that it would also be helpful to publish it under this item for each meeting, to give Trustees further opportunity to update their entry and raise any likely conflicts of interest which might occur with items on the agenda.

1105 FINANCE

(i) Budget 2008/09 (TP 08/07)

Trustees had originally considered the draft budget in November 2007 but, given the unexpectedly positive outcome of the Comprehensive Spending Review at that time, adjustments had been necessary to incorporate the significant increase in capital expenditure that would be required. Trustees therefore now reviewed a revised balanced operating budget for 2008/09 and provisional budget allocations for the period from 2009/10 to 2011/12, in tandem with a presentation by the Director which outlined the corporate priorities supporting the allocations and confirmed the rationale behind the Museum’s reserves policy.

Following discussion, Trustees approved the balanced budget and provisional allocations for future years.

(ii) Financial review for the period April 2007-January 2008 (TP 08/08)

Trustees noted the report, which demonstrated that the forecast outturn for the General Fund was broadly in line with that used to prepare the balanced budget. Trustees were pleased to note that the Museum’s investment portfolio was now also submitted to them for information.

1106 DARWIN CENTRE PHASE TWO MANAGEMENT REPORT (TP 08/09)

Trustees noted from the report that the project was broadly in line with expenditure against pledged funding and on target for building completion in mid-July 2008, with the formal opening planned for September 2009. In the period between July 2008 and the formal opening, work was to be carried out on the public offer fit-out (from September 2008) and science procurement, with re-cant of staff and collections scheduled to begin in January 2009.

The work of the Trustees’ Sub-Committee was now increasing its focus on delivery of benefits, with the new appointment of Ms Charlton to lead on brand shift and Professor Mace taking an active role in considering the realisation of science benefits.

In terms of the public offer, the latest cost estimate was slightly over-budget, but work was required to ensure that in adhering to the original target, the overall result was not compromised.

1107 AUDIT COMMITTEE REPORT (TP 08/10)

Sir David Omand, as recently appointed Chairman of the Audit Committee, reported on the meeting held on 5 February. This had been Sir William Castell’s final meeting as Chairman of the Audit Committee as his term of office as a Trustee came to an end on

that day. He had been formally thanked for his contribution to the Committee during that time. Sir David highlighted a number of key points from the minutes:

Annual Report – during a consideration of the Annual Cycle of Information, it had been agreed that the Board should receive at its July meeting each year, either a written report summarising the Committee's activities and how it had discharged its responsibilities, or an introductory summary appended to the annual assurance, also presented in July.

DC2 Risk Register – the Committee had made the recommendation that the DC2 risk register, which was a comprehensive and useable document, should be considered as a model layout for all Museum risk registers. This would assist in the standardisation of risk recording across the Museum.

Audit Report follow up – to assist in following up of agreed actions from internal audits, it had been stressed that both timely implementation and a clear statement if an action was not to be taken forward, were both required for future reporting.

Website – Trustees noted that the Audit Committee website was now up and running and would include publication of the minutes of Committee meetings.

Audit and Assurance Staffing – publication of the NAO report on benchmarking data for Internal Audit provision in the museums and galleries sector was imminent. Although the Museum's costs for the provision were at the higher end in the survey, it was noted that the Unit had a wider remit, covering operational risk as well as financial control. The report did not compare the effectiveness of the arrangements in each organisation. It was however, agreed that the Chairman of the Committee should, with the Director, review the resourcing of the internal audit team as a priority to assess whether the balance of cost and level of assurance achieved was correct.

In conclusion, Sir David reported that the Committee would henceforth be known as the Audit and Risk Committee to more accurately represent the breadth of their work. Trustees agreed that this change of name was appropriate.

1108 PERFORMANCE SCORECARD – 3rd Quarter 2007/08 (TP 08/11)

Two main points were made in relation to the data:

- whilst visitor numbers were slightly down on this time last year, the Museum had still reached 83.5% of target thus far. The drop was most likely due to a combination of factors including strong competition from other London attractions and ongoing stabilisation of figures since the bounce-back following the 7 July 2005 bombings in London. Trustees agreed that it would be helpful to consider future visitor levels at their Strategy Day in June.
- given the information provided on development income, Trustees noted that they would receive a presentation on future priorities for fundraising, beyond Darwin Centre Phase Two, at their meeting in May

1109 HEALTH AND SAFETY REPORT (TP 08/12)

Trustees noted the report, in particular that the health and safety unit was now providing an advisory service to the Science Museum, and had recently received an expression of interest from another national museum. Trustees were given assurance that the service would not be expanded beyond its capability.

1110 SCIENCE GROUP

(i) 3rd Quarter 2007/08 (TP 08/13)

Professor Lane highlighted three points from the report:

Taxonomy in Europe in the 21st century – Professor Lane had produced a 'vision' for taxonomy in the next 10-12 years to inform a strategic plan being prepared by the consortium European Distributed Institute of Taxonomy (EDIT), of which the Museum was a member. The document would be used to stimulate discussion within the scientific community and would also assist the Museum in its own thinking on this subject. Trustees agreed that it would be interesting, in this context, to discuss what opportunities could be provided for amateur or 'citizen scientists' in order to use their contribution more effectively during the Strategy Day in June.

e-Biosphere 09 – the Museum had been successful in its bid to host the first international symposium on biodiversity informatics, which was likely to be a strategically critical element in the future development of taxonomy. The symposium was developed by an international consortium of agencies, foundations and organisations, initiated by the Encyclopaedia of Life. The Museum would be considering what focused effort it would wish to make in this area.

Grant performance – Trustees welcomed the additional material which was provided on significant grants awarded and the distribution of research grants between researchers and noted that trend analysis would be generated upon this information in the future.

(ii) Trustees' Science Strategy Session (TP 08/14)

The summary of the discussion held after the November meeting was noted.

(iii) **Visiting Groups**

(a) Palaeontology 2005 – update on progress (TP 08/15)

Trustees were satisfied with the progress which had been made in relation to departmental organisation and administration; research focus; the role of collections management staff and; staff morale. The forthcoming installation of the new CT scanner was welcomed. Trustees noted that there had already been considerable interest from other institutions in using the facility.

(b) Zoology 2006 – update on progress and recommendation (TP 08/16)

Trustees noted progress with implementation of the recommendations from the Visiting Group. Whilst the Museum had not managed to recruit to the Research Leader post in microbial research, it was still considered a high priority given the ascendancy of this area of science and the external demand for it. Professor Halliday stressed the importance of the Museum's contribution to UK science research through its work on systematics and taxonomy and encouraged the Museum to continue to raise its profile with Government in this area.

Trustees were satisfied that the outcomes of the Visiting Group to Zoology did not require any further reporting.

1111 PUBLIC ENGAGEMENT GROUP

(i) **3rd Quarter update (TP 08/17)**

Ms Ament highlighted three items from her report:

Public Programme – Shell Wildlife Photographer of the Year (SWPY) was breaking its visitor and income targets and the ice rink had exceed previous year's admissions, which was impressive given the increasing competition in London.

Trustees noted that the Late Night events held on the last Friday of every month had been particularly successful, with admissions during the evening exceeding those made during the day on a number of occasions. Trustees recommended that the Museum consider extending the Late Nights beyond the life of the SWPY exhibition and asked Ms Ament to report back on whether this was viable.

Licensing – performance with branded and licensed products had improved significantly and the Museum had recently received recognition from the Association of Cultural Enterprises (ACE), winning awards for Best Textile Products, Best Children's Products and Best Overall Product Range. Trustees viewed examples of some of the most recent products.

Darwin200 – Trustees noted the Museum's key role in coordinating the national celebrations, as well as the raft of events within its own public programme which were aligned to the celebrations. Of particular note was the launch event being held at the Museum on 3 June.

(ii) **BBC Documentary pilot (TP 08/18)**

Ms Ament presented a paper outlining the Museum's negotiations with the BBC regarding a high-quality documentary series about the Museum, focussing primarily upon its research. After viewing a short 'taster' DVD produced for the BBC Commissioners and considering the opportunities and risks associated with such a venture, Trustees agreed that the Museum should proceed, subject to contractual arrangements with the BBC.

Trustees were keen to ensure that the Museum was adequately prepared for filming and for the amount of additional interest which might follow once the series was aired in 2009.

1112 AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 08/19)

The rolling agenda for future meetings was noted.

1113 EVENTS DIARY (TP 08/20)

The Chairman recommended to Trustees the current series of lectures being run by the membership department, under the title 'Voyages of Discovery'. The lectures, given by the Museum's Keepers, were taking place on a monthly basis and provided a valuable introduction to key areas of Museum science.

1114 ANY OTHER BUSINESS

There was no other business

1115 SCRATCHPADS: GETTING BIODIVERSITY ONLINE, REDEFINING PUBLICATION (TP 08/21)

Trustees received a presentation from Dr Vincent Smith, Cybertaxonomist in the Department of Entomology, on an intuitive web application that collaboratively enabled researchers to build, share, manage and publish their data online, thereby providing enormous potential for accelerating the pace of taxonomic research. The sites, hosted by the Museum, had attracted huge numbers of users in the first year of operation and work was now in place to link them to the Encyclopaedia of Life project and the EDIT Cybertaxonomy platform. Trustees noted the groundbreaking nature of this resource, and in particular that there was interest in using it as a template to develop other knowledge bases.

1116 NEW GALLERIES – BALCONIES PROJECT (TP 08/22)

Mr Rankmore, Head of Interpretation and Design, presented a scheme for the redevelopment of the balconies above the Central Hall to provide an area for reflection upon the Museum's history, iconic specimens and architecture. The proposed themes of the displays would set the Museum's work in context and, for the first time, illustrate the concept for the building intended by its designer, Alfred Waterhouse.

Trustees noted the recommendation to proceed with development and implementation of the displays, subject to the availability of capital funding and an appropriate works programme.

1117 DATE OF NEXT MEETING

Tuesday 20 May 2008 at 0930 at The Natural History Museum.