THE NATURAL HISTORY MUSEUM

AT A MEETING ON

TUESDAY 30 JUNE 2015

AT 09.00 A.M.

AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES
Lord Green of Hurstpierpoint (in the Chair)
Professor Sir Roy Anderson FRS FMedSci
Professor Sir John Beddington CMG FRS
Professor David Drewry
Professor Christopher Gilligan CBE
Professor Sir John Holman
Dr Derek Langslow CBE
Mr Anand Mahindra
Ms Hilary Newiss
Mr Simon Patterson
Professor Robert Stephen John Sparks FRS CBE
Dr Kim L Winser OBE

In Attendance (alphabetical order)

Ms Frances Allen (Minutes) Executive Assistant to the Director and Secretary to the Board
Mr Jim Broughton Head of International Engagement (for item 11.1)
Mrs Rachael Casstles Head of Internal Affairs
Sir Michael Dixon Museum Director (and Executive Board Chair)
Ms Jan English Head of Touring Exhibitions (for item 1.1)
Mr Neil Greenwood Director of Finance and Corporate Services (Executive Board member)
Mr Chris Hills Head of Human Resources (for Item 8)
Dr Justin Morris Director of Public Engagement (Executive Board member)
Professor Ian Owens Director of Science (Executive Board member)
Ms Emily Smith Head of Audience Development (for item 11.2)
Ms Fiona McWilliams Director of Development Group (Executive Board member)

Preliminary

1711 APOLOGIES FOR ABSENCE

No apologies were received. The Chair welcomed Mr Anand Mahindra (Trustee) and Ms Fiona McWilliams (Director of Development Group) to their first meeting of the Board.

1712 DECLARATIONS OF INTEREST AND REGISTER OF INTERESTS (TP 15/53)

Declarations of interest and changes to the Register of Interests were made by Professor Christopher Gilligan and Professor Sir John Holman and were recorded by the Secretary to the Board.

1713 MINUTES OF THE MEETING OF 19 MAY 2015

The Minutes of the meeting of the Trustees held 19 May 2015 were confirmed as true records and signed by the Chair.
1714 MATTERS ARISING FROM THE MEETING OF 19 MAY 2015 (TP 15/54)

Noted.

1715 CHAIRMAN’S REPORT

Trustees welcomed the Prime Minister’s decision to reappoint Professor Christopher Gilligan as a Trustee for a further four years ending on 18 May 2019.

The Chair also congratulated Professor Gilligan and Frances Cairncross (Chair of the NHM Development Trust) on their awards in the Queen’s Birthday Honours List published on 13 June. Professor Gilligan received a CBE for services to Plant Health in the field of Epidemiology and Dame Cairncross received a DBE for her services to Higher Education and to Economics.

1716 DIRECTOR’S REPORT (TP 15/55)

Announced cut to resource grant-in-aid in 2015/16: Following the Chancellor’s announcement of £3b of savings in Whitehall departments, the Department of Culture, Media and Sport (the NHM’s sponsoring body) had indicated that it would be deploying a further cut to the Museum’s resource grant-in-aid payments this year. The Museum’s funding baseline will be reduced accordingly as a starting point for the 2015 Comprehensive Spending Review (CSR15) settlement.

Collections storage: The Director and Director of Science (Professor Ian Owens) will present more detailed information to Trustees at the Annual Trustees’ Strategy Day in September.

Crisis communications test exercise (23 June): The emergence of social media as a platform for communicating newsworthy events had prompted a review of the Museum’s crisis management process and how it would react to communications crises in real time. The Director reported that the “desktop” exercise held to test the NHM’s capability went well and will inform future processes.

Changes to reporting of performance: The irregular periods between Board meetings renders it difficult to provide quarterly performance reports. The Executive has taken the decision, therefore, to separate the quarterly performance reporting from the Board meeting timetable and instead circulate a quarterly report by the end of the month following each quarter end. This report will incorporate the agreed list of KPIs plus a series of activity reports and a financial report. At each meeting of the Board time will be allocated to review the report for the most recently ended quarter.

1717 Reporting the Museum’s performance – Q1 2015/16 KPI report format (TP 15/56)

The Board noted the report and made the suggestion that trend data would be useful to provide a historic picture and to be used as a tool to track publishing activity. The Executive was also encouraged to develop a richer set of measures for Digital to deliver more valid benchmark information.

1718 Q4 2014/15 Data report (TP 15/56A)

The Board noted the report.

Main Items:

FINANCIAL:

1719 Financial Review for the Period April 2014-May 2015 (TP 15/57)

Mr Neil Greenwood (Director of Finance and Corporate Services) presented a financial review for the period April to May 2015 comparing the annual forecast and the original budget for 2015-16 approved by Trustees in November 2014.
In some areas of income generation activity net adjustments have been made to forecasts and accommodated within the income risk factor for the year to mitigate the risk of income shortfall against the business targets. Notwithstanding, Mr Greenwood reported that the NHM remains in a robust financial position for this financial year, but sounded the warning that future forecasts will be influenced by fluctuating trends in visitor numbers, particularly those from the Eurozone where the strength of Sterling against the Euro has resulted in fewer European visitors. However, this assumption will be brought into sharp relief after the busiest visitor period of August when actual outturn is known. The Board noted that the Audit and Risk Committee will be conducting a more detailed analysis of the effect of the Euro on visitor numbers.

1720 Annual Report and Accounts FY 2014/15 (TP 15/58)

Mr Neil Greenwood (Director of Finance and Corporate Services) presented for Trustees’ approval the NHM’s Annual Report and Accounts FY 2014/15, together with the accounts of the NHM Special Funds Trust and the NHM Benevolent Fund. The Board noted that, subsequent to the review by the Audit and Risk Committee, EU auditors had sought clarification on the methodology of overhead recovery and a contingent liability note will be included in the accounts to reflect this. Mr Greenwood is pursuing this enquiry.

The Board of Trustees approved the Annual Report and Accounts for signature by the Chair and Director for formal submission to the Comptroller and Auditor General at the National Audit Office.

1721 UPDATE ON THE EMPLOYMENT OFFER (TP 15/59)

Mr Christopher Hills, Head of Human Resources, outlined his discussions with DCMS officials at which he explored the structure of a outline business case. The Board of Trustees approved Mr Hill’s recommendation and asked that he submit a business case to HM Treasury based on the discussion and skeleton draft.

Mr Hills also reported on recent discussions held with the TUS where it was made clear that members were disappointed that the Museum remained loyal in applying the public sector 1% increase limit pronounced by HM Treasury and urged a creative approach to utilising administrative freedoms for a better settlement figure in 2015. In addition, the TUS would expect the pay remit to deliver a mechanism to enable individuals to progress within pay scales and provide a boost for those staff clustering at the bottom of bands caused by the serial restraint on pay over recent years.

The TUS accepted that it would take time to negotiate an increase beyond 1% and in response the Executive Board asked the Board of Trustees to consider implementing a provisional pay award of 1% from 1 August 2015 as an interim measure pending the conclusion of negotiations with HM Treasury.

**SUMMARY**

The Board of Trustees was sympathetic to the case presented by the TUS and supported an interim pay award of 1% from 1 August 2015, pending conclusion of negotiations with Treasury. This is subject to agreement from DCMS

1722 PREPARING THE UK REGULATIONS IMPLEMENTING PUBLIC SECTOR INFORMATION DIRECTIVE 2003 (AS AMENDED 2013) (TP 15/60)

The Board was reminded that under new regulations to be enforced on 18 July this year, all museums will be required to publish a statement of their public task and to make clear what information produced out of that public task is available for re-use by others, and on what terms. Whilst the NHM responds positively to the spirit of the PSI Directive, and favours wider access to information born in the public sector, it does create a tension between preserving the potential value of its intellectual property rights whilst protecting the NHM’s commercial and research competitiveness, now and in the future.

In response to the Board’s request in May, Mrs Rachael Castles (Head of Internal Affairs) and Ms Hilary Newiss (Trustee) sought guidance and legal advice on the interpretation of the new regulations, and how it applies to the NHM, to inform a recommendation to the Board. Ms Newiss explained that research and educational establishments remain undefined and exempt, so the interpretation for the NHM is rather complicated by the unique role it plays as both a museum and research institution.
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The favoured option for research would be to “exclude privately-funded research from public task and retain some discretion for other areas”, but it was accepted that this stance could invite challenge. The option for commercial activities would be “exclude all pure commercial activities from public task” and to resist relinquishing Intellectual Property rights (it was proposed that IP would be held by the trading company to be used for commercial exploitation). It was recognised that a lot of information is freely accessible, but some elements can be commercially exploited in other creative ways.

The Board recognised the complexity of the practical application of PSID to research activity, particularly where a project has a mix of funding from public and private sources or industry-funded contracts where confidentiality is contractual. The decision to place a research activity outside the scope of PSID must be transparent and robust enough to withstand any challenge. With no clear solution in evidence, the Board sought advice from the Science Advisory Board and its Chair, Professor Sir Roy Anderson, will respond to Mrs Castles and Ms Newiss with a recommendation (by 18 July) after consulting with the Science Advisory Board.

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<td>Ms Newiss and Mrs Castles will amend the draft Public Task statement, capturing Trustee comments and recommendations from the Science Advisory Board, and circulate to the Board for final endorsement before submission by the due date of 18 July.</td>
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1723 DIRECTOR OF DEVELOPMENT – REFLECTION

Ms Fiona McWilliams, Director of Development Group, reflected on her first month at the NHM and expressed her pleasure at joining the Museum at such an exciting phase of its evolution. The NHM, she felt, was an exciting and fascinating environment with world leading science projects, ground breaking visitor experience projects with a global reach.

Ms McWilliams outlined her plans and priorities for the Development Group and her thoughts towards developing a case for support for fundraising. The Chair reiterated that the fundraising endeavour is a unified effort and so the success of the Development Group depends on the contribution of the Board.

1724 TOPICS FOR THE AGENDA FOR THE ANNUAL TRUSTEES’ STRATEGY DAY (TP 15/61)

The Chair will circulate to the Board agenda suggestions for the Annual Trustees’ Strategy Day.

1725 TOURING EXHIBITIONS (TP 15/62)

The Board welcomed Mr Jim Broughton, Head of International Engagement, and Ms Jan English, Head of Touring Exhibitions, to the meeting who provided an insight into the Museum’s Touring Exhibitions programme in operation since 1990. During this time the programme has visited some 65 countries with an annual visitor attendance of 3.7 million visitors at 50 venues across circa 20 countries.

Since 2014 NHM exhibitions in London have ceased to be built to tour, as they are increasingly tailored to our target audience segments, are designed more to complement the architecture of our galleries, make greater use of rare/delicate items from our collections and feature content specific to our London context. This presents the opportunity to refresh the touring portfolio proposition and develop new commercial product to promote the NHM public programme throughout the world. It would also provide the opportunity to refocus the business on a higher-profile client base and to overhaul the business model in order for it to run more profitably. It is also the intention to build enduring partnerships in South East Asia and progress is being made on this front.

Mr Broughton outlined the current level of income generated from this business element and Ms English shared with Trustees the three market concepts that have been developed for the international tour, each playing to the strengths and brand of the NHM.

The Board liked the proposals, but encouraged the team to take risks in developing exhibitions that would challenge the public’s perception of science. The iconic nature of the collection could be used as springboard to explain the challenges and excitement of scientific problems and showcase contemporary science topics, such as molecular science etc.
Temporary Exhibition Programme (TP 15/63)

The Secretary will defer this item to the meeting to be held in November.

AUDIT & ASSURANCE

1727 Report of the Meeting held on 25 June 2015:

Dr Derek Langslow, Chair of the Audit and Risk Committee, provided an overview of the meeting held on 25 June and gave his gratitude to Mr Mark Richardson for his contribution, particularly for his review of the new Finance System.

The Chair of the Board thanks Dr Langslow and the Audit and Risk Committee for maintaining governance and ensuring that the NHM remains complaint in its statutory duties. The Chair also announced the Ms Hilary Newiss will join the Audit and Risk Committee and will be formalised at the next meeting.

1728 Audit and Risk Committee: Annual Report 2014/15 (TP 15/64):

The Board noted the contents of the Annual Report and also that the Audit and Risk Committee had approved the report at the meeting on 5 May 2015.

1729 AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 15/65)

The rolling agenda for future meetings was noted.

1730 EVENTS DIARY (TP 15/66)

The Board of Trustees noted the contents of the report.

1731 DATES OF NEXT MEETINGS

2015:

- 22 September 2015 – Annual Trustees’ Strategy Day (Chelsea Physic Garden)
- 17 November 2015 (PM: Science Session)

2016:

- 23 February 2016
- TBC Annual Trustees’ Dinner
- 17 May 2016 (PM: Science Session)
- 5 July 2016 (Evening: Annual Staff Summer Party)
- 20 September 2016 – Annual Trustees’ Strategy Day
- 15 November 2016 (PM: Science Session)

1731 ANY OTHER BUSINESS

None.

Signature