THE NATURAL HISTORY MUSEUM

AT A MEETING ON

TUESDAY 19 NOVEMBER 2013

AT 9.00 A.M.

AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES
Oliver Stocken (in the Chair)
Daniel Alexander QC
Louise Charlton
Professor David Drewry
Professor Christopher Gilligan
Professor Alex Halliday
Professor Sir John Holman
Sir David Omand GCB

In Attendance (alphabetical order)
Frances Allen (Minutes) Executive Assistant to the Director and Secretary to the Board
Joe Baker Special Adviser to the Director
Rachael Castles Special Adviser to the Director
Dr Michael Dixon Museum Director
Neil Greenwood Director of Finance & Corporate Services
Sarah Long Museum Registrar (for item 10.2)
Dr Justin Morris Director of Public Engagement
Professor Ian Owens Director of Science

1544 CLOSED SESSION

The Board held an in camera session to discuss the Chair of Trustees’ appointment.

Preliminary

1545 APOLOGIES FOR ABSENCE

Apologies to the Board were given by Professor Sir Roy Anderson, Dr Derek Langslow, Sir John Beddington and Dr Kim L Winser.

1546 DECLARATIONS OF INTEREST AND REGISTER OF INTERESTS (TP 13/59)

These were noted by the Secretary to the Board.

1547 MINUTES OF THE MEETING OF 2 JULY 2013

The Minutes of the meeting of the Trustees held on 2 July 2013 were confirmed as a true record and signed by the Chair of the Board.

1548 MATTERS ARISING FROM THE MEETING OF 2 JULY 2013 AND ANNUAL TRUSTEES’ STRATEGY DAY ON 1 OCTOBER 2013 (TP 13/60)

The Board noted progress on actions arising from the last two meetings and the following comments were made:

Financial Reporting: New Format: The Board liked the new format and welcomed the clear presentation of data.
Tring: Dr Justin Morris (Director of Public Engagement) will present an update on Tring to the May meeting of Trustees.

Google Analytics: An external company is helping the Museum to define its long-term digital media strategy. The company will engage NHM staff in meetings and workshops and following these Dr Morris will liaise with Dr Winser to take forward her offer to help with data analysis.

1549 CHAIRMAN’S REPORT

Changes to Committees from 2014 Onwards: Five Trustees will retire from the Board in 2014, which will result in vacancies on various Board sub-committees and other boards. The retirements would also impact on the Natural History Museum Development Trust Board where there will be a vacancy from May 2014. Comments were made on the individual committees as follows:

Audit and Risk Committee: Sir David Omand attended his last meeting on 24 October meeting as Chair of the Audit & Risk Committee. As requested by the Committee, the Board of Trustees formally approved the appointment of Dr Derek Langslow as the new Chair of the Audit & Risk Committee. Dr Langslow’s election to the role of Chair does leave a vacancy on the Committee to be filled by a member of the Board of Trustees

Remuneration Committee: The membership of this Committee will be reviewed once the new Chair of Trustees has been elected.

NHM Trading Co: Three directors will retire by 11 May 2014. Under the articles of association the minimum number of directors is two, there being no maximum, though Trustees from the NHM must form at least half of the membership of the board of directors. In addition, the Chair of the NHM Trustees will also be the Chair of the Board of Directors.

1851 Commission: The Chair had attended a dinner organised by the 1851 Commission with Mr Greenwood. A substantive topic on the agenda had been improvements to the tunnel connecting South Kensington Station to the 1851 Estate and the accessibility of the station itself. Trustees were reminded that this has been a subject of debate for some years and historically progress has been hampered by lack of funding and resistance to redevelopment proposals for the station complex. It was now thought appropriate to resurrect the discussion and the 1851 Commission Chair will be gathering data from institutions on the 1851 Estate to formulate a case for lobbying purposes.

1550 DIRECTOR’S REPORT (TP 13/61)

The Director highlighted a number of items from the report:

Accidental destruction of financial records: The accidental destruction of some financial records (for which Museum has an obligation to retain for a defined period) emerged following a routine enquiry in August 2013. The incident has been reported to DCMS, the NAO, Kingston Smith (Trading Company auditors) and the Audit and Risk Committee, all of which have confirmed that no further action will be taken.

Estate condition survey: The recent conditions survey of the Estate indicated a substantial maintenance liability necessary to bring all existing buildings and plant on the Estate to the same good standard of repair. Although the Executive believe that the liability is comparable to that of many public sector organisations caring for heritage buildings, it is considering, as part of the planning of future capital expenditure, how to record ongoing maintenance liability to demonstrate that it is being reduced over time.

Attendance and visitor related income: The Museum enjoyed a record level of attendance during the summer with visitor numbers reaching c.571,000 – an increase of 165,000 on the same period last year. Although half-term attendance was relatively disappointing, year-end predictions indicate that the Museum will achieve another record year. Relative to this, visitor-related income and Retail and Catering are showing greater percentage growth in income than in attendance for the first time in quite a while.

Purchase of a Stegosaurus fossil: An anonymous donor has pledged a gift to the NHM sufficient to purchase a complete Stegosaurus fossil recently excavated in the USA. The specimen has been authenticated and arrangements to ship to the UK are being made. It is intended to get the mounted fossil on public display after a period of scientific research on its arrival at the NHM.

Government relations: Mr Greenwood (Director of Finance and Corporate Services) had attended a Government-organised Shared Services Summit workshop. Mr Greenwood said that shared services in the public sector will once again come under the spotlight as a means to driving further efficiencies.
Organisational restructuring: Dr Morris reported that a few adjustments will be made to the current Public Engagement structure to reflect the new strategy. In doing this he consulted with staff and gathered opinion in Public Engagement and across the Museum. Generally, the proposals have attracted a positive reaction from individuals who were pleased to see a clear and strategic vision. The most substantial changes were the creation of an Audience Development Department to focus on defining the Museum’s audience and shaping the public programme and a Visitor Experience, Learning and Outreach Department, which will unite the Museum’s learning activity with the national programme.

Collection Storage: The Collection Storage Infrastructure Programme (CSIP) team had assessed options for an off-site collection storage solution and concluded that a significant investment in a centralised, multi-institutional off-site storage facility is a favoured option. Prof Owens (Director of Science) outlined his aspiration for an integrated facility, which preserves a single curatorial body and workplace at South Kensington whilst providing remote storage within 25 miles of the Museum (on public transport) with rapid recall of items on a 48 hour basis.

The current economical climate provides the opportunity to engage with potential partners provided institutions could agree on the key elements of such a project, most notably location. Prof Owens will now embark on a series of bilateral discussions to see whether one of a number of such partnerships is feasible and what appetite there might be in government for such a project. Whilst informal discussions had taken place with commercial storage companies, there is some debate whether these would provide the necessary environmentally-controlled conditions required to store the collections.

Visit to Brazil: The Director gave a report on the recent ten day visit he made to Brazil with his Special Advisor, Mr Joe Baker. This visit followed on from the UK ambassadors’ trip the Director made two years ago and included meetings with government departments of science, culture and education, science funding bodies, museums and commercial organisations in Sao Paulo, Brasilia, Rio de Janeiro and Belo Horizonte. The visit reaffirmed the Director’s opinion that there are a number of opportunities to exploit in Brazil, particularly from a scientific collaborative perspective, and if the Museum is to play a part on the international stage then Brazil should be one of the small number of countries on which to focus attention.

Brazil is an emerging economy and the government is eager to strengthen its science base - a philosophy understood by scientific institutions which are keen to increase the quantity of scientific output whilst maintaining the quality. Part of this is to place many post-graduate students in universities outside Brazil (a programme known as “Science without Borders”) and the Science Ministry’s intention is to double that number in a relatively short period of time. The NHM could play a part in this, but probably only in conjunction with another higher education institution. Another area for collaboration is digitisation. Recognising that physical objects cannot be repatriated from worldwide institutions, Brazil has shifted its focus to the repatriation of digital surrogates and many global institutions are helping Brazilian institutions with this endeavour. Commercial opportunities also exist for touring exhibitions where commercial sponsorship could be sought.

1551 Communications Update (TP 13/62)

Noted.

1552 Development Update (TP 13/63)

Noted.

1553 NHM Activity Report for Q2 FY2013-14 (TP 13/64)

Trustees liked the clarity of data presented in the new pictorial format of the report. It was noted that in future, as the PEG and Science strategies take shape, a series of KPIs for the Museum will be created that will replace this activity report. Other activity specific to Science and Public Engagement will be recorded in the individual reports.

Social media data was a welcome addition, as it is acknowledged that social media plays an important part in attracting a domestic and younger audience. Dr Morris reflected that the review of the Museum’s long-term digital media strategy will consider how to bring together the different social media platforms (e.g. blogs, fora etc) with the website to interact more holistically with our audience.

1554 Financial Review for the period April-September FY2013/14 (TP 13/65 and 66)

The Board of Trustees noted that the forecast for the General Fund balance at the FY2013/14 will be below the original budget approved by the Board in November 2012 (but includes a small increase from the previous forecast). As previously reported, the review includes adjustments required arising from the two cuts to the Museum’s grant-in-aid funding imposed by the Treasury.
Sir David Omand welcomed Mr Greenwood’s careful management of the budget, but sounded a cautionary note that in forthcoming years the ability to generate a surplus to cushion grant-in-aid cuts will diminish. Prof Drewry also felt that the Museum should be mindful of the accumulative effect of decreasing grant-in-aid and how much extra activity has been generated to make up the shortfall.

Main Items:

1555 CAPITAL PLANNING (TP 13/67)

The Board welcomed Mr Ian Henderson (Chair of the Estates and Buildings Advisory Committee) who had been invited by the Board to participate in the discussion.

The Director explained that following the appointment of new Directors of Science and Public Engagement a number of processes had to be advanced in order to arrive at a logical series of proposed capital investments for the Museum over the next decade or so. The complex, inter-related nature of how the NHM uses its buildings for science, public engagement and ‘back office’ has required the Executive to complete the consideration of a range of issues before planning a way forward. This has had an impact on the Museum’s fundraising aspirations where the focus has been on future intentions rather than specific projects. The Director also explained that work has also been undertaken on a repositioning of the NHM for the next phase of its development, focusing on four main priorities each of which will require both capital and revenue funding.

The list of capital projects informed by the NHM Masterplan were categorised into three main areas - collections storage, public spaces and infrastructure – and were phased over two five-year periods. The Executive presented a synopsis of the strategic approach to be taken to realise its ambitions and the following observations were made:

Gallery Plan: Dr Morris explained that the Gallery Development Plan sets out an intellectual framework for the galleries and their dependencies and this had informed the sequencing of galleries over the two phases. The overarching Public Space Plan (encompassing the gallery plan) will be presented to the Board in due course. The Executive confirmed that resolving circulation issues remains a very high priority and is an integral part of gallery development.

Learning Spaces: Trustees welcomed the move away from creating laboratory/classroom spaces to providing learning spaces within galleries, together with the potential to take the Museum out to schools. This approach will hopefully attract prospective donors.

Conditions Survey: The survey had been categorised into different levels of priority, including “big ticket” items and the terracotta building (which needs annualised maintenance). It was acknowledged that more stringent solutions may have to be considered in future if buildings were to become too expensive to maintain, but Mr Henderson hopes that the architect appointed to the Grounds Development project will stimulate debate and help the Museum evolve its strategy on the wider issues of the estate.

Grounds Development Strategy:

Mr Henderson explained that as part of the Museum’s long-term strategic plan for the grounds, a Grounds Design competition was launched in September, which solicited design ideas from landscape architects. The project would link the civic realm of the Museum to the grounds and as such forms an important part of the Central Hall and Balconies project. These two components are inextricably linked. Based on the professional advice of the consultant team, a shortlist of five multi-disciplinary teams had been selected and recommended to Trustees to move to the second stage of the competition. Each of the five teams will be presented with an outline brief and the selected architect will work with the Museum in formulating a detailed design brief.

Prof Halliday asked whether the project had considered incorporating “green” alternatives to the centralised cooling proposal. Mr Henderson explained that green solutions were always at the forefront of the Museum’s strategy. The Museum had, in fact, joined forces with other institutions on the 1851 Estate in the Carbon Masterplan Initiative to develop a long-term plan to become zero net carbon. However, as no long-term solution had yet been agreed the centralised cooling plant had to remain independent of the Grounds Development project.

SUMMARY:

- The Board of Trustees gave authority to Mr Henderson to approach the five finalist teams and invite them to move to the second stage of the competition.
- The Board nominated Dr Derek Langslow (in absentia) to be their representative on the Selection Jury and Mr Henderson will discuss with the Director possible “Independent Friend” nominees to be elected to the Selection Jury.
1556 Estates and Buildings Advisory Committee: Minutes of 10 October 2013 Meeting (TP 13/68)

Noted.

1557 BUDGET FOR FY2014/15 (TP 13/69)

Mr Greenwood's paper presented a balanced operating budget for financial year FY2014-15, together with a financial plan and projections through to FY2017-18. The budget for FY2014-15 has been prepared against the backdrop of the Comprehensive Spending Review 2010, which has resulted in a significant reduction in grant-in-aid over the period since 2011. The balanced budget for FY2014-15 has been achieved by taking advantage of additional General Fund surplus being generated during FY2011-12 and FY2012-13, increasing self-generated income and maintaining an operating surplus, while seeking to manage total capital and project expenditure in total broadly in line with the previous indicative allocations determined at both last year's and this year's Executive Board Conference, in accordance with the corporate priorities. The budget also includes an appropriate contingency to cushion any unforeseen shortfall.

The biggest risk factor for the latter part of this period is the uncertainty of grant-in-aid funding. These figures will not be known until after the May 2015 election, although indications are that there will be a cut at least in real terms. In this situation the Museum would have to adopt a more strategic approach in how it would manage any significant cuts. To help address the shortfall the Museum will continue to exploit continuing growth in self-generated income based on individual business plans from each business unit. Dr Morris reflected that cautionary budgets and challenging business plans are not good bedfellows and so he would like to see these two components separated in future financial reporting in order to set ambitious targets. The budget also recognises increased energy costs, which continue to rise above the rate of inflation, together with increased estate core infrastructure costs informed by the conditions survey. The Executive will ensure that the capital budget is managed efficiently.

SUMMARY:
The Board of Trustees approved the presented budget for FY2014-15 (including the General Reserve)

1558 COLLECTIONS POLICIES

(i) Digital Collections and Licensing: (TP13/70)

Advances in digital technology offer an opportunity to revolutionise the way in which the NHM collection is curated and used and Prof Owen's aim is to exploit these advances and make available the NHM as a digital resource. However, progress in realising this objective has been hamstrung by the Museum not having a developed strategic approach to digital collections information nor is it organised or resource to put in place high throughput pipelines for collections database, digitisation and informatics. This represents a major strategic risk for the Museum as we are falling behind pace with our peer institutions in the US and Europe, which have grasped the opportunity to make their collections available to global audiences. Similarly, in the arts sector a series of major museums have developed online portals to provide digital access to their collections – in some cases attracting media and technology partners. This inertia will inevitably threaten the long term use of the NHM collection by the global scientific community and our own ability to pursue a modern science agenda.

Prof Owens, in paving a way forward, undertook an inventory of the NHM's physical and digital collection holdings, which revealed that a small percentage of the Museum's 80 million objects were discoverable in internal digital databases and even less are available in the form of a digital surrogate. This in itself presents a compelling case to develop a more strategic approach to digitising the collection and to develop high throughput pipelines for each of the main collection materials.

A component of this debate is the distribution of digital collections information under open license. The NHM's vision is to seek to provide the widest possible access to its collections and associated data and information, consistent with its statutory responsibilities and intellectual property rights. Prof Owens believes that science data should be made openly available, but acknowledges there should be some restrictions to safeguard commercial interests. In the spirit of this principle a policy has been put into place that will allow pre-defined large scale digital collection and information to be made freely available on the Museum data portal with certain exceptions to protect the Museum's intellectual and commercial interests.

SUMMARY:
In light of the advances being made by other institutions, Trustees endorsed Prof Owens' proposed programme. Trustees also endorsed the outlined approach to the licensing of digital collections information, but recommended that this be kept under review to address the changing landscape and ongoing legislative debate.
(ii) Review of NHM Collections Management Policies: (TP13/71)

The Board welcomed Ms Sarah Long (Museum Registrar) to the meeting who provided contextual background to the discussion. Trustees were reminded that under the British Museum Act 1963 the Trustees of the Natural History Museum have a statutory responsibility for the NHM collection. This responsibility is not only in relation to the keeping of items, their display, disposal and loan, but also includes policies relating to the management of the collection.

Collections Management Policies:
The NHM’s Collections Management Policies are currently under review in response to three important external drivers:

- Convention on Biological Diversity, Nagoya Protocol 2010 and Access and Benefit Sharing:
- Changes in legislation and new standards.
- Accreditation (April 2014)

The reorganisation of Science Group has also provided the opportunity to rationalise Museum documentation, moving from 31 key documents on collections policies and governance to 5 key documents. Trustees were asked to note the external drivers for the review and the proposed changes to the NHM’s Collections Management Policies.

Arts Council Accreditation Collections Development Template:
Trustees were asked to support the decision to deviate from the Arts Council Accreditation Collections Development Template relating to the exchange of items and the return of human remains. Ms Long explained that for these two areas it was more appropriate to use a NHM framework.

SUMMARY:
Trustees did not feel fully conversant with the changes and, therefore, were reticent to endorse Ms Long’s proposals. As a way forward, Mr Alexander offered to consult with Ms Long and Prof Owens to identify the principal differences and then produce a short report for submission to Trustees. This will be in advance of the February 2014 meeting at which Trustees will review and, hopefully, endorse the changes ahead of submission for accreditation in April. Trustees felt comfortable with this approach.

1559 CORPORATE SERVICES GROUP

(i) Health & Safety Report for Second Quarter FY2013/14: (TP 13/72)

Noted.

1560 PUBLIC ENGAGEMENT GROUP

(i) Second Quarter Update FY2013/14: (TP 13/73)

Dr Morris will consider Prof Gilligan’s suggestion of using probability distribution as a way of presenting attendance statistics as part of a review of future KPI reporting.

1561 SCIENCE GROUP

(i) Second Quarter Update FY2013/14: (TP 13/74)

The Trustees enjoyed reading the report and congratulated Science on the increase in grant funding and felt that this was a reflection of Prof Owens’ restructure and strategy.

1562 AUDIT & RISK COMMITTEE

(i) Report of the meeting held on 24 October 2013:

Sir David Omund wished to convey his thanks to the Museum Director, the Director’s team, the Director of Finance & Corporate Services and the Head of Risk & Assurance during his tenure as Chair of the Committee. The Museum Director responded that the Senior Management Team, Committee members and all NHM staff wished to thank Sir David for the enormous contribution he had made to the Audit & Risk Committee and the Museum.
Sir David highlighted the following:

**Gallery Development Plan:** It is important that the Board of Trustees discuss and interact with the Gallery Development Plan before it is finalised. Dr Morris had reassured the Board earlier on in the meeting that he would be presenting the Public Space Plan (incorporating the gallery plan) in due course.

**The NHM Development Trust** – The National Audit Office will continue to review evidence supporting the independence of the trust and assess any financial reporting requirements.

**The New Finance System** – The NAO/BDO will continue to work closely with the project team to monitor developments. It was acknowledged that resources (both financial and staffing) will have to be allocated to training staff on how to use the new system once implemented.

1563 **AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 13/75)**

The rolling agenda for future meetings was noted.

1564 **EVENTS DIARY (TP 13/76)**

Noted.

1565 **ANY OTHER BUSINESS**

**Final meeting of the Chair of the Board of Trustees:** This was the last meeting of the Chair of the Board, Mr Oliver Stocken, and the Director thanked him wholeheartedly for his unswerving support over his almost eight years as Chair, and 14 years as a Trustee. The Museum has moved on enormously under his stewardship. Mr Stocken gave his thanks to the Board, the Executive and Secretary for their support during his tenure as both Trustee and Chair. The search for Mr Stocken’s replacement as Trustee/Chair continues.

1566 **DATES OF NEXT MEETINGS**

- 25 February 2014
- 1 April 2014 – Extraordinary Meeting of the Board
- 16 April 2014 – Annual Trustees’ Dinner
- 20 May 2014 (PM: Science Session)
- 1 July 2014 (Evening: Annual Staff Summer Party)
- 30 September 2014 (Annual Trustee Strategy Day, Chelsea Physic Garden
- 18 November 2014 (PM: Science Session)