

THE NATURAL HISTORY MUSEUM

AT A MEETING ON

TUESDAY 5 JULY 2011

AT 9.30 A.M.

AT THE NATURAL HISTORY MUSEUM

Present

TRUSTEES

Oliver Stocken (in the Chair)
Daniel Alexander QC
Professor Sir Roy Anderson FRS FMedSci
Louise Charlton
Professor David Drewry
Professor Christopher Gilligan
Ian Henderson CBE
Dr Derek Langslow
Professor Georgina Mace CBE FRS
Sir David Omand GCB

In Attendance

Sharon Ament	Director of Public Engagement
Joe Baker	Special Adviser to the Director
Rachael Casstles	Special Adviser to the Director
Anna Cuss (Minutes)	Executive Assistant to the Director and Secretary to the Board
Dr Michael Dixon	Director
Neil Greenwood	Director of Finance & Corporate Services
Professor Ian Owens	Incoming Director of Science
Professor Phil Rainbow	Keeper of Zoology and Interim Director of Science

1356 APOLOGIES FOR ABSENCE

Apologies for absence were received from Professor Alex Halliday who was still recuperating from a fall and resulting surgery.

1357 MINUTES OF THE MEETING OF 17 MAY 2011

The minutes of the meeting of the Trustees held on 17 May 2011 were confirmed as a true record.

1358 MATTERS ARISING FROM THE MEETING OF 17 MAY 2011 (TP 11/32)

Director of Science – Trustees welcomed Professor Ian Owens to the meeting. Following the retirement of Professor Richard Lane, Professor Owens, who was currently Head of the Department of Life Sciences at Imperial College London, had been appointed Director of Science. Professor Owens had previously worked at the Institute of Zoology, London and at the University of Queensland, Australia, and had had extensive involvement with learned societies, and both governmental and non-governmental agencies. Professor Owens was an honorary research fellow of the Zoological Society of London and also sat on the Natural Environment Research Council's Post-Genomics and Proteomics steering committee. He would be joining the Museum in the autumn.

All other items of significance were addressed under the current agenda.

1359 CHAIRMAN'S REPORT

Board appointments – the Chairman also welcomed Professor Gilligan to his first meeting. Professor Gilligan, who was Head of the School of Biological Sciences at the University of Cambridge, had been appointed to the Board by the Prime Minister for a period of four years from 18 May 2011. Professor Gilligan's principal research output was in the fields of epidemiology, ecology and mathematical biology. His current research was focused on establishing and testing a theoretical framework that identified the mechanisms controlling invasion, persistence, scale and variability of botanical epidemics within changing agricultural landscapes. Professor Gilligan had previously held a BBSRC Professorial Fellowship and a Royal Society Leverhulme Trust Senior

Research Fellowship. He was currently an Honorary Fellow of the American Phytopathological Society and former President of the British Society for Plant Pathology.

1360 DIRECTOR'S REPORT (TP 11/33)

The Director highlighted a number of items from the report:

Major corporate risks – following confirmation of the final list of major corporate risks and risk owners, the Audit & Risk Committee had received a report from Professor Rainbow on actions to mitigate perceived risks together with his response to the recent audit report on Collections Security. In relation to the latter, the Director informed Trustees that following a recent spate of aggravated thefts on an international scale, all of the Museum's rhino horn specimens had now been removed from public display and put into secure storage. Furthermore, there had been a suspected break-in attempt at the Natural History Museum at Tring recently. The attempt had been unsuccessful, but was now being followed up with the police in the appropriate way.

As Chair of the Audit & Risk Committee, Sir David Omand added that the consideration of the audit of Collections Security and follow up actions was of particular importance to Trustees, given that it was one of their responsibilities to ensure the integrity of the Museum's collections. The report, which had considered the full range of threats to collections, including fire, pest and theft, had highlighted a number of areas where improvements could be made and some of these mitigating actions were already in process. For example, physical deterioration of specimens was being addressed actively by the controlled conditions within Darwin Centre. In addition, the Museum's Head of Security, Andrew Wilkinson, was working closely with collections leaders on physical security of collections to instigate selective audits, which were essential when dealing with such a vast collection of specimens.

Professor Drewry enquired whether appropriate attention was being given within security considerations to the Museum's digital holdings, not just physical specimens, since many of these were unique and loss or corruption of data could be catastrophic. Sir David Omand confirmed that the Audit & Risk Committee were responsible for signing off the Museum's information security assurance each year, which sought to guarantee that digital data was adequately protected. As a result of this exercise, the Museum was more keenly aware of the risks associated with data loss, though it was difficult to give an absolute guarantee on security given the rate of development in data theft capability. On an associated note, the Museum had recently experienced a significant power outage due to accidental severance of power cables by an outside contractor. This had provided a useful test for the Museum's capability to function and protect its data under such circumstances.

Professor Sir Roy Anderson noted that Imperial College had its own servers which meant that it was not connected to the internet for the majority of time. This provided a much safer way of backing up data which was also more cost effective. He would provide further input on this to the Audit & Risk Committee to inform future considerations.

Professor Gilligan asked what the most significant risk was to the collection. Professor Rainbow confirmed that theft from visitors was the highest risk. The Museum's collections were used extensively by researchers and members of the public and were therefore more accessible than collections at other national institutions might be. Whilst the Museum did not want to curtail this accessibility, it was clear that there were a number of controls which could be tightened and that levels of access could be refined.

The Director recommended that Trustees visit some of the components of the Collections Storage Infrastructure Project (CSIP) to see at first hand some of the improvements which were being made to storage facilities at the Museum. This would be arranged for the November meeting.

In conclusion, Trustees commended the collections security audit report and noted the work which was being done to improve collections security. They were satisfied that this work was being monitored effectively by the Audit & Risk Committee and requested that they be informed of progress at intervals.

Memorial to the victims of the 2004 Asian Tsunami – the opening ceremony, to be attended by the families of those who had lost their lives, HRH The Prince of Wales and the Duchess of Cornwall, as well as Government representatives, would take place in the Darwin Centre courtyard on 6 July. The Director commended the efforts of Museum staff, notably Joe Baker, Laura Harmour, Colin Farmiloe and Kevin Rellis, in bringing the event to fruition.

NHM-Kew collaboration – the Director continued to liaise with the Director of RBG Kew on areas of future collaboration, including those that would generate efficiencies and cost savings. With the imminent departure of a senior member of staff in both institutions, there was an opportunity to establish a more collaborative way of working on collection management in both a physical and virtual sense. Given the size of the two collections and technical difficulty of dividing responsibility between two separate organisations, it was unlikely that a single joint appointment would be the best way forward. However, it would be beneficial in the long term to move towards a single, national botany collection, primarily in a digitised form. Digitisation of the Museum's own botanical collections was fairly well advanced as a result of integration of specimen records into the KEMu database.

Trustees' Strategy Day – the Strategy Day was due to take place on Thursday 22 September at the Chelsea Physic Garden. The main items for discussion would be the Museum's plans for digital development and cultural change. Given discussions over recent meetings, focussing on the Library Strategy, Digital Review and Strategy and aspirations for digitising national collections

such as botany, discussed in the previous item, Trustees agreed that it would be beneficial to look in a broader way at how the Museum would operate in the digital age in the future. There were, in particular, interesting debates to be had about collections and their curation and the extent to which digitisation could or should replace physical collections. The Director agreed to provide a briefing note to Trustees in advance of the September meeting on how the day would be structured, to incorporate these thoughts. Any further suggestions were welcome.

1361 DECLARATIONS OF INTEREST AND REGISTER OF INTERESTS (TP 11/34)

None was declared.

1362 ESTABLISHMENT OF A DEVELOPMENT TRUST (TP 11/35)

Following discussion at the May meeting and Trustees' approval for the Museum to consider using an independent trust in order to gain access to some historic reserves to March 2015, further work had been carried out to inform Trustees' final decision on matters of structure and composition of such a trust. The paper presented to the Board outlined advice from the Museum's solicitors and a range of case histories, summarising how peer organisations were dealing with the opportunities and risks associated with giving an independent trust the authority to hold reserves and to manage them within its discretion.

This issue had also been discussed by the Audit & Risk Committee on 29 June. The view was taken that the Museum should transfer at least the minimum amount of unrestricted funds to enable it to meet its statutory obligations. However, some level of reserve would be retained, which was a requirement for the Museum as a charitable institution. In response to a question regarding the cost of running the trust, the Director confirmed that some services would be required in order to produce statutory accounts, and that this service would be available to the trust.

In conclusion, Trustees agreed that the Director should seek to facilitate the establishment of an independent trust with charitable status by 31 March 2012. They concurred with the Audit & Risk Committee's recommendation that the Museum should transfer at least the minimum amount of unrestricted funds to enable it to secure essential services and meet Companies House and Charity Commission fees.

In the meantime, Trustees also agreed that the Director should arrange for the Natural History Museum name to be licensed to the independent trust and continue to monitor rulings by regulatory bodies on other trust structures. In addition, he should seek further legal advice on minimising the risk of consolidation of the independent trust's accounts with those of the NHM and develop a firmer view of the composition and governance of the trust, including its relationship with and cross over -in terms of membership - with the main Board of Trustees.

1363 STRATEGIC PLAN 2011-16

- (i) Plans to accommodate reduced grant-in-aid (TP 11/36)
Mr Greenwood reported on the current position in relation to phase two of the expenditure review, which had been instigated by the reduction in levels of grant-in-aid. It was noted that whilst there was now a reduced need to instigate significant savings during 2011-12, there was still a requirement to implement savings over the period through to 2014-15, to try to maintain a balance of core income and expenditure. The Director added that there had been improvements to some areas of income generation in recent months, including the conference & events business, where booking levels were being maintained and there was repeated interest from high profile users.

1364 SCIENCE GROUP

- (i) First Quarter Report 2010/11 (TP 11/37)
Professor Rainbow focussed on a number of points from the report:

Dry Chaco fieldwork, Paraguay – an update was given on the proposed fieldwork. Given that it had not been possible to obtain the necessary permissions to allow the fieldwork to take place before seasonal weather changes made it too problematic, the funds allocated to this project had been released for utilisation on other activities. A public statement had been made, announcing that the expedition was suspended pending further talks with the Ayoreo people and the Paraguayan Ministry of the Environment. It was still the intention to reinstate the expedition at some point in the future, but only when all parties were content and the appropriate permissions were given.

Human Remains: Torres Straits Islands (TSI) – following the successful visit of representatives of the Torres Strait Islanders to London in May, Professor MacLeod and Dr Clegg had visited the Islands in late June to participate in further discussions with communities on the future of the remains and the options for future research and other collaboration. As a result, it seemed probable that a proportion of the well-provenanced material currently held by the Museum would be collected by representatives of the Torres Straits Islanders within the coming year. For the remainder of the material, it had been agreed that this could be retained by the Museum for a period of up to 3 years, whilst further efforts were made to source its provenance – the nature of this provenancing would be subject to community agreement. The offer by the Museum to the Torres Straits Islanders to fund an intern in London for six months in 2011-12 had been enthusiastically received and discussions were also underway with the Australian government regarding their supporting an intern from the Aboriginal community at the same time. The entire relationship and process for resolution with the

Torres Straits Islanders had been extremely positive and it was hoped that it would be a good model for other similar situations. However, Trustees did recognise that the over-riding responsibility for them lay in the appropriate care of and access to the Museum's collections. Whilst the experience with the Torres Straits Islanders was a good model for the future, the relationship that the Museum was able to build and the resolution that it was able to arrive at was very much dependent upon the position taken by the indigenous groups requesting return of remains and also upon the scientific value of those remains. One of the key factors was the ability of the Museum to demonstrate and gain interest from indigenous communities in the great importance of the scientific data which the remains could provide and to show the use to which it could be put for the benefit of the wider population in the future.

Although they were aware that the DNA associated with the Tasmanian Aboriginal remains which had been repatriated was currently held in a repository in Hobart, Trustees enquired whether there was any information on what had happened to the actual remains themselves. Professor Rainbow would make enquiries and report back to the Board.

Centre for Arts and Humanities Research – Trustees noted that the NHM Centre for Arts and Humanities Research would be launched on 11 July 2011. The Centre's purpose was to consider the social, historical and economical significance of the Museum's collections, to complement existing scientific research. The Centre was a joint venture with Kingston University and a good example of collaborative work attracting external support.

Major recognitions in Palaeontology – Trustee congratulated Chris Stringer on his receipt of The Geological Society Coke Medal for significant contribution to geology and also Paul Barrett for his receipt of the Bicentenary Medal of the Linnean Society, for work by a young biologist.

Ancient DNA Lab – the project to provide this state-of-the-art facility for the extraction of DNA from specimens was now complete. The new lab provided an important addition to the Museum's science infrastructure and was a necessary complement to the current molecular facilities. It was intended for both internal and external use, including as a training facility for graduates in ancient DNA methods and protocols. The in-house lab was a unique facility for a natural history museum and would attract an international focus on ancient DNA research. Trustees welcomed this excellent new addition and were keen to visit and view the work carried out there at some point in the future.

Science Performance – as a result of the current economic climate, overall performance had been relatively weak by comparison with previous year. Trustees asked what the future held for grant income, given that the economic situation was unlikely to improve a great deal in the coming years. Professor Rainbow confirmed that it was important to keep making appointments to the scientific staff, and in particular to appoint those with the ability to assist specifically in obtaining successful grant applications. Professor Sir Roy Anderson commented that grant success depended very much upon the area of research for which it was applied and that, currently, virus and bacteria technology was a particular area where success might be more forthcoming. Professor Rainbow responded that the Museum's single cell research work could attract more funding since this was possibly a less competitive area than that of virus/bacteria technology. Potential areas, including this one, for a more concerted effort were being explored.

Professor Mace, commenting on the publication statistics, considered that more fulsome explanation was required on the outcomes, since it was necessary for the Museum to produce low impact papers in addition to high impact, for the purposes of specialist interest. To this end, the concentration on high impact journals was not necessarily an accurate representation of the breadth or quality of the Museum's scientific output. Professor Rainbow concurred that the current criteria for measuring success in peer review journals were not the most effective. Improvements were planned for the coming year.

1365 PUBLIC ENGAGEMENT GROUP

- (i) First Quarter Report 2010/11 (TP 11/38)
Ms Ament focussed on a number of points from the report:

Special exhibitions – whilst the two other exhibitions were performing satisfactorily, *Sexual Nature* was not attracting the audience numbers which had been anticipated, though it was likely to meet its budgeted income. Publicity was being increased slightly to try and boost visitor numbers. *Scott's Last Expedition* had now opened in Australia in June and was scheduled to come to the Museum in 2012. The exhibition was an excellent example of a successful collaborative project, having been developed in partnership with Canterbury Museum, Christchurch and the New Zealand Antarctic Heritage Trust.

Learning – the Museum had held its inaugural learning volunteer conference on 7 June, during National Volunteers' Week. The event, as well as engaging volunteers with wider Museum issues, provided useful feedback upon which to make further improvements. There were currently around 350 volunteers across a range of departments who were very much treated as part of the Museum. The scheme was well managed and volunteers generally felt valued for the contribution that they made. Equally, the Museum was keen to find out about the impact it had upon volunteers' lives and further work was being done in this area to improve the scheme for the mutual benefit of all involved. Trustees agreed that it would be helpful to hear more about the volunteer scheme at a future date, perhaps from volunteers themselves.

Trustees were pleased to note that all five partners in the Museum's regional education partnership Real World Science, had secured short-term financial sustainability, despite the closure of the DCMS/DfE Strategic Commissioning Education

fund in March 2011. This was excellent news for the regions, for which the current and future funding situation was particularly grim.

Galleries and projects – work was well underway on the Treasures gallery project. Ms Ament circulated images of the latest designs. Trustees had enquired at the last meeting whether it was possible to bring forward the opening of the gallery to coincide with the 2012 Olympic Games, but Ms Ament confirmed that, according to the current schedule, it would not be possible. The gallery would open later on in 2012 after which work would commence on the Central Hall balconies. A more fulsome presentation on the Treasures Gallery would be made to Trustees in November.

1366 CORPORATE SERVICES GROUP

(i) Annual Report and Accounts 2010/11 (TP 11/39)

Trustees noted that the Annual Report and Accounts had been reviewed informally prior to being presented to the Audit & Risk Committee on 29 June. At their meeting, the Committee had approved the Special Funds and Benevolent Fund for the Chairman of the Board's action and further recommended that the consolidated accounts for the Museum were approved by Trustees. The accounts were duly approved and would be sent for Ministerial approval very shortly. Sir David Omand, on behalf of the Board, thanked Mr Greenwood and his team for their efforts in producing the accounts.

In addition, Sir David summarised the main outcomes of the NAO Audit Completion Report and ISA 260 Communication of Audit Matters to those charged with Governance. Overall, the Comptroller and Auditor General were expected to certify the accounts with an unqualified audit opinion and without modification. The issue regarding FRS 30: Heritage Assets was now resolved, with the NAO having accepted that neither historic cost nor valuation of the Museum's heritage assets was possible. The NAO had also acknowledged that the Combined Heat and Power (CHP) scheme could be treated as 'off balance sheet', since the scheme was below the Museum's delegated authority and did not require approval.

Finally, it had been noted that there were no formal agreements in place with the V&A and NMSI for the various shared services, though the Museum was managing a sinking fund for them. Whilst this need not necessarily be a formal lawyer's contract, some form of understanding was required to reflect the principle that benefits and liabilities were individually shared. The Audit & Risk Committee would present a recommendation to the Board in due course.

(ii) Financial outturn for 2010/11 (TP 11/40)

Trustees noted that the provisional year outturn for the General Fund balance was below the previous forecast, though this was a result of accommodating a long-term liability arising from re-structuring under the expenditure review. However, overall, the outturn was significantly above the original budget and in excess of the figure used to prepare the balanced budget for 2011-12. No additional significant expenditure allocations were envisaged at this stage and the additional surplus would be used to mitigate the impact of Phase 2 of the expenditure review.

(ii) Financial Review for April to May 2011 (TP 11/41)

The report was noted without comment.

(iii) Quarterly Health and Safety Report 2011/12 (TP 11/42)

Trustees noted the report, including a single RIDDOR reportable incident during this period, for which there was no outstanding action.

(iv) Annual Staff Survey and IIP Assessment (TP 11/43)

The Director presented the feedback from the October 2010 Employee Opinion Survey and from Investors in People, as a result of the recent re-accreditation process.

The Employee Opinion Survey was in its fourth year and overall the results showed limited variation against prior years. The response rate had dipped slightly against last year and it was also likely that some of the results reflected current difficulties being experienced in the economic climate. In terms of positive feedback, respondents felt that they understood what the Museum was trying to achieve and how they fitted into these aspirations. Respondents also considered that they were treated fairly and equally. In terms of improvement, it was clear that there was some work to be done on improving Director visibility and sharing of knowledge.

Following the recent assessment, the Museum had been re-accredited to Entry Level for Investors in People in June 2011. The outcomes of the assessment process largely reflected those of the Employee Opinion Survey, showing strength in business planning and understanding of the individuals' place within it and in managing people's development, but also recommending improvement of consistency in good management practice and greater understanding and communication of the work of others. Trustees noted the action plan for addressing these recommended improvements.

In discussion, Trustees raised the following questions:

- The response rate to the Staff Survey was rather low at 34%, which could indicate that staff were content, since there was evidence that higher response rates corresponded to periods of discontent. However, it was noted that the low response rate might also reflect 'survey fatigue'. To this end, the Director noted that the intention was to re-launch the survey in 2012 in a different format to reinvigorate interest and encourage respondents to think in different ways.

- It would be helpful to give some context to the Staff Survey by providing comparison against other organisations and other sectors. The Director added that the results should also be considered in the light of other data collected by the Human Resources Department, such as turnover and external factors such as the economic environment.
- The frequency of the Survey could be re-considered, since an annual return might not provide sufficient time to address improvements.
- The continued use of the Staff Survey should represent value for money, particularly if the return was considered to be low, though the intention to re-launch and reinvigorate was noted.
- Within the action plan there should be a mechanism for reporting back to respondents on areas of concern. It was of great importance to illustrate that concerns were being taken seriously and corresponding action taken to address them. Equally, where action was deemed inappropriate or unnecessary, this should also be communicated. The Director added that the proposals in the action plan are closely aligned to the objectives of the Museum's Strategic Plan.

Trustees agreed that it had been helpful to review the outcomes of the two assessments and supported the proposal to re-launch the Staff Survey in 2012.

1367 AUDIT & RISK COMMITTEE REPORT

Sir David Omand, as Chair of the Audit & Risk Committee, reported on the following two items:

(i) Report of the meeting held on 29 June 2011

The two main items discussed at the meeting – Annual Report and Accounts and major corporate risks – had already been discussed in depth earlier in the meeting. Beyond these, the Committee had considered progress with the second phase of the expenditure review. The Committee had commended senior management efforts to find alternative ways of making savings and increasing effectiveness without resorting to a second wave of redundancy at this time. This was a useful base upon which to build the cultural change process which was due to take place.

The Committee also discussed the forthcoming internal audit of the Planning & Design Consultancy (PDC). It was recognised that conducting business overseas was often unpredictable, leading to cancelled projects. However, the consultancy had made an encouraging start to the new financial year and the intention to review the past five years' performance would be helpful in illustrating overall trends as opposed to the short term highs and lows. Trustees noted that external expert advice might be sought to provide validation for the review.

(ii) Audit & Risk Committee: Annual Report 2010/11 (TP 11/44)

Trustees noted the Annual Report, which had previously been approved by the Audit & Risk Committee, and its overall conclusion that the Museum's risk management and governance processes were deemed to be adequate and effective. The report would now be submitted to DCMS for information.

1368 PERFORMANCE (TP 11/45)

(i) Outturn for April and May 2011/12 against DCMS Indicators and Corporate KPIs Report 2010/11

The report was noted. Visitors during the traditionally busy Easter period were 23% down on previous year, but this might be attributable to people taking advantage of the close grouping of bank holidays at that time, including the Royal Wedding on 29 April, to take time out of London. Numbers of overseas visitors remained high at 53%, most probably due to the continuing strength of major foreign currencies against sterling.

1369 AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 11/46)

The rolling agenda for future meetings was noted.

1370 EVENTS DIARY (TP 11/47)

The events diary was noted. The Director informed Trustees that thoughts were being developed on how Museum events were managed in future to ensure greater consistency, coordination and best use of expertise. The Board would be updated on these plans at future meetings.

1371 ANY OTHER BUSINESS

There was no other business.

1372 DATE OF NEXT MEETING

Tuesday 22 November 2011 at 0930 at The Natural History Museum.