

No 243

THE NATURAL HISTORY MUSEUM

AT A MEETING ON

TUESDAY 19 MAY 2015

AT 10.00 A.M.

AT PENDLEY MANOR HOTEL, TRING, HERTFORDSHIRE

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
Professor Sir John Holman
Dr Derek Langslow CBE
Hilary Newiss
Simon Patterson
Professor Robert Stephen John Sparks FRS CBE
Dr Kim L Winser OBE

In Attendance (alphabetical order)

Frances Allen (Minutes)	Executive Assistant to the Director and Secretary to the Board
Jim Broughton	Head of International Engagement (for item 9)
Frances Cairncross CBE	Chair of the NHM Development Trust
Rachael Casstles	Head of Internal Affairs
Sir Michael Dixon	Museum Director (and Executive Board Chair)
Neil Greenwood	Director of Finance and Corporate Services (Executive Board member)
Chris Hills	Head of Human Resources (for Item 7.2)
Dr Justin Morris	Director of Public Engagement (Executive Board member)
Professor Ian Owens	Director of Science (Executive Board member)
Tony Wilson	Project Director, Equals Consulting (for item 8.1)

Preliminary

1685 APOLOGIES FOR ABSENCE

Apologies were given by Mr Anand Mahindra. The Chair welcomed Ms Hilary Newiss to her first meeting of the Board and also Ms Frances Cairncross, Chair of the NHM Development Trust, who joined the meeting as an observer.

1686 DECLARATIONS OF INTEREST AND REGISTER OF INTERESTS (TP 15/14)

Declarations of interest and changes to the Register of Interests were recorded by the Secretary to the Board.

1687 MINUTES OF THE MEETING OF 24 FEBRUARY 2015

The Minutes of the meeting of the Trustees held 24 February 2015 were confirmed as a true record and signed by the Chair.

1688 MATTERS ARISING FROM THE MEETING OF 24 FEBRUARY 2015 (TP 15/15)

Members' Room Project: The Museum had been successful in its application to the DCMS Loan Fund for the funding of the Members' Room, which is projected to be delivered in early 2017.

1689 CHAIRMAN'S REPORT

NHM Development Trust: Frances Cairncross CBE was appointed as Chair of the NHM Development Trust in February to succeed Mark Richardson. As previously reported, the Board of Trustees had expressed an interest in meeting members of the NHM Development Trust and an event will be planned in the forthcoming months.

1690 DIRECTOR'S REPORT (TP 15/16)

DCMS information requests in preparation for the expected Spending Review: The Museum's sponsoring department, the Department of Culture, Media and Sport (DCMS), had requested the Museum to submit documentation to assist in the Department's preparation for the forthcoming Spending Review. The Director provided an update on the meeting with DCMS at which the submission was reviewed.

Offsite collections storage: The expectation is that DCMS will be considering efficiency savings during the next spending period and a potential saving is for museums to find a collective solution for offsite storage. This issue had been debated at both the Audit and Risk Committee and Estates and Buildings Advisory Committee, which concluded that the Museum must remain active on exploring potential offsite storage options and by the end of the year be in a position to make decisions on a preferred way forward. This will be discussed at the November meeting of the Board.

Executive Board Appraisal and Objective Setting: The Director sought the Board's input into setting the objectives for the five members of the Executive Board. In setting these objectives Ms Winser emphasised the need to align objectives to delivering the aims of the Museum strategy – *Strategy to 2020* – and felt that perhaps this should be the first objective for each member.

1691 NHM An Overview of Progress against the NHM's Strategy to 2020 (Appendix 1)

The Board of Trustees noted the contents of the report.

1692 FINANCIAL REVIEW FOR THE PERIOD APRIL 2014-MARCH 2015 (TP 15/17)

Mr Neil Greenwood (Director of Finance and Corporate Services) presented a financial review for the period April 2014 to March 2015. The General Fund showed an increase on the original budget for the year, which will help mitigate any unwelcome financial consequences from the forthcoming Spending Review. As the operating surplus remains under constant threat, due to the continuing erosion of grant-in-aid from central Government and the Museum must deliver the forecasted income targets and continue to identify opportunities to increase income generation.

Main Items:

EMPLOYMENT OFFER:

1693 Employee Engagement Survey 2015 Results (TP 15/18)

The Director presented the summary of findings from the annual NHM Employee Engagement Survey undertaken in February 2015 by an external specialist organisation. The responses were generally positive and indicated that staff felt that the NHM was an agreeable place to work. The negative feedback largely centred on pay-related issues and these concerns will be addressed in the Employment Offer Review project. The response data will be scrutinised within individual departments and divisions to devise action plans to improve areas of concern and these will feed into the overarching Museum action plan representing the major Museum-wide issues that need to be addressed.

Trustees noted the report and urged the Executive Board to act upon the action plan and to keep challenging themselves on how to engage with these concerns.

1694 Employment Offer (TP 15/19)

The Board welcomed Mr Christopher Hills (Head of Human Resources) to the meeting who explained that the review sought to develop a total and sustainable reward offer that both aligned to the objectives of the Museum Strategy and responded to feedback from the staff survey that pay stagnation and fairness of pay levels was a barrier. In recent years serial restraint on pay had caused clustering at the bottom of bands and the 2015 review provides the opportunity to address these and other anomalies. However, as the NHM remains under the influence of government funding and pay policy, the employment offer had to be set within a realistic and affordable framework and also reflect HM Treasury's mandate to remove any structured incremental progression.

The Project Board had worked with external consultants and internal stakeholders to arrive at the emerging structure defined in Phase 3 of the project. The outcome of Phase 3 had constructed two propositions both of which satisfied the diktat from HM Treasury, addressed understood issues and operated within an affordable pay award envelope. The Executive acknowledged that there were longer-term issues to address, such as introducing a more robust performance management culture and a review of the pension scheme in the context of administrative freedoms.

SUMMARY

Trustees endorsed the Executive's recommendation that Proposition 2 should be explored further, as this option would target most of the structural anomalies and address some long-standing issues. Based on this proposition, Mr Hills was authorised to commence the preparation of the pay remit business case submission to DCMS and to prepare for the subsequent formal negotiations with the trade unions and staff side. In addition, Mr Hills was asked to provide to the June Board meeting details of the actual number of staff disadvantaged by the current structure to enable the Board to give final approval. Trustees also encouraged the Executive to be radical in how the increments are distributed.

CAPITAL PROGRAMME UPDATE

1695 Redevelopment of the Museum Grounds (TP 15/20)

Dr Justin Morris (Director of Public Engagement) and Mr Tony Wilson (Project Director) from Equals Consulting presented the vision for the redevelopment of the grounds and explained that the design concept seeks to create a new gateway to the South Kensington cultural quarter. One of the key principles of the Grounds Redevelopment Programme is to open up the Museum to a greater diversity of publics beyond the confines of the Waterhouse building to the grounds outside - essentially creating a living gallery. The removal of the Palaeontology Building's tower and the inclusion of a civic square level with Exhibition Road would reveal the Waterhouse building bringing the perspective closer to Alfred Waterhouse's original concept.

The concept divides the grounds into five zones – each of which has its own narrative - designed to provide the visitor with a compelling physical and intellectual experience and to improve circulation and capacity by distributing visitors more evenly across the grounds. The redevelopment of the western grounds is critical in achieving this aim and it is at the western end where people will be able to commune with nature in an urban setting. The ethos here is all about wellbeing, focussing on future sustainability and the challenges facing urban areas and the human population.

In totality the scheme satisfies a Masterplan priority and fulfils the objectives of access (by providing a step-free main entrance and a permanent third entrance), experience, enjoyment and use of space. The greater access to all visitors from Exhibition Road provides increased potential for income generation via commercial activities such as café outlets and shops and at the western end the space outside the Darwin Centre allows the NHM to develop changing propositions (e.g. Butterflies Exhibition). It is hoped that Transport for London's plans to improve the tunnel connection from South Kensington station will also play a part in improving access to the grounds.

The Executive recognised that this concept is very ambitious and these aspirations come at a cost and, in this context, Dr Morris outlined the potential fundraising avenues to be explored by the Development Department and NHM Development Trust.

Whilst the Board was excited by the vision there was some concern that visitors would be less attracted to the offer in the western grounds leading to a concentration of visitors at the eastern end, which was counter to improved circulation and distribution across the grounds. Dr Morris assured Trustees that the design will be further interrogated in the next phase. The Board recommended the need to identify flow numbers and Justin Morris reassured Trustees that work on flow modelling will be commissioned in the near future.

SUMMARY

The Board of Trustees was very excited by the vision and approved the recommendation to advance to Stage 3 design and an application for planning permission to be submitted in September 2015.

1696 Queen's Gate Lodge Refurbishment Project (TP 15/21)

The Board of Trustees noted the progress on the Queen's Gate Lodge refurbishment project and the business case. Based on the business case, the Board of Trustees approved the requirement to uplift the budget to enable the refurbishment works to proceed.

1697 Estates Buildings Advisory Committee (EBAC) Meeting – 6 May 2015

An oral report was given on the deliberations of the EBAC meeting on 6 May. The Board noted that the discussions focussed on the Grounds Redevelopment Project and the Northern Link project to improve visitor circulation in Hintze Hall.

1698 INTERNATIONAL BUSINESS STRATEGY (TP 15/22)

Although the NHM has an inherently global reach a more coordinated approach to international activities is needed to realise full potential on the world stage. The International Business Strategy posits a strategic framework within which the NHM may articulate its voice, develop relationships and deliver activities. It also addresses how the NHM may access substantial new streams of revenue by coordinating certain strands of our international activities to form high-value commercial partnerships. The Strategy's three overarching objectives were:

- Generate increased income from international activities
- Organise the business for international working
- Grow the NHM's international visibility

The Head of International Engagement, Mr Jim Broughton, provided an overview of the objectives and activities for 2015/16. During the next five years International will prioritise developing its business in the largest potential client base for the NHM's commercial services. Mr Broughton outlined the global markets that the business is targeted to penetrate and where opportunities exist that are uniquely available to the NHM. He acknowledged that in some instances the NHM would need to forge partnerships with other organisations that promote the natural world in order to advance projects and relationships. In this context, the Board made the suggestion that approaching embassy contacts in host countries might prove to be a beneficial way to advance associations.

Mr Broughton assured the Board that the right structure is now in place to take forward the aspirations of the International Strategy, with new staff in place to implement the necessary business changes. In addition, the Museum's intellectual property-based businesses now work alongside the consulting, touring exhibitions and commercial training units of the International Engagement business unit.

SUMMARY

The Board of Trustees welcomed the dynamism of the International Strategy and suggested that a more fulsome discussion takes place in June, in addition to a presentation to the NHM Development Trust. It was also agreed that Mr Broughton would contact the Trustees to determine future travel plans in order to initiate an international travel calendar.

ACTION

JB

1699 PREPARING THE UK REGULATIONS IMPLEMENTING PUBLIC SECTOR INFORMATION DIRECTIVE 2003 (AS AMENDED 2013) (TP 15/23)

New regulations are expected to come into force in July 2015, which will bring all museums within scope of the Public Sector Information Directive 2003. This will have an impact on the NHM where it will be required to publish a statement of its 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.

SUMMARY	ACTION
Ms Hilary Newiss and Ms Rachael Casstles was asked to submit a recommendation to the Board at the 30 June meeting.	HN/RC

1700 SCIENCE ADVISORY BOARD (TP 15/24)

At the 1 July 2014 meeting of the Board of Trustees, it was agreed that an NHM Science Advisory Board be established to advise the main Board on the NHM's scientific activities and the Executive on the development of those activities. Sir Roy Anderson was asked by the Chair of the Board to develop and chair this sub-committee of the main Board. Sir Roy reported on recent meetings and confirmed that for governance it had been agreed that the NHM should conduct institutional reviews of its science (rather than departmental or thematic reviews). These "visiting group" reviews would be chaired by an external/independent expert and advisors drawn from the Science Advisory Board.

SUMMARY
<ul style="list-style-type: none">• The Board of Trustees approved the proposed terms of reference for the NHM Scientific Advisory Board with the caveat that the wording be finessed to convey that SAB provides "advice on implementation".• The Board of Trustees approved the recommendations on future reviews of the NHM's scientific activities.

AUDIT & ASSURANCE

1701 Report of the Meeting held on 5 May 2015:

Dr Derek Langslow, Chair of the Audit and Risk Committee, gave an oral report of the meeting.

1702 Annual Review of Gifts and Hospitality FY2014/15 (TP 15/25):

The Board of Trustees noted that the annual review records a nil return for the financial year 2014/15.

1703 Head of Risk and Assurance's Annual Assurance to the Accounting Officer and Audit and Risk Committee FY2014/15 (TP 15/26):

The Board of Trustees noted the contents of the report

1704 Annual Health and Safety Report FY2014/15 (TP 15/27):

The Board of Trustees noted the contents of the report and was assured that the Museum is operating a satisfactory health and safety environment by being compliant with UK health and safety and fire safety requirements.

1705 Annual Security Report FY2014/15 (TP 15/28):

The Board of Trustees noted the contents of the report.

1706 Major Corporate Risks FY2014/15 (TP 15/29):

The Board of Trustees noted the major corporate risks for 2015/16, which had been previously agreed by the Audit and Risk Committee.

1707 AGENDA ITEMS FOR FUTURE BOARD MEETINGS (TP 15/30)

The rolling agenda for future meetings was noted.

1708 EVENTS DIARY (TP 15/31)

The Board of Trustees noted the contents of the report.

1709 DATES OF NEXT MEETINGS

2015:

- 30 June 2015
- 22 September 2015 – Annual Trustees' Strategy Day
- 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)

1710 ANY OTHER BUSINESS

NHM Development Trust: Ms Cairncross was delighted to be appointed as Chair of the NHM Development Trust and to be associated with the Natural History Museum. In particular, Ms Cairncross looked forward to working with the new Director of Development and outlined a number of priorities they will work on together in the coming months.

