The British Museum Board of Trustees

Minutes of the meeting held on 22 March 2012
at the British Museum

Present

Mr Niall FitzGerald KBE (Chairman)
Professor Sir Christopher Bayly
Mr Francis Finlay
Professor Clive Gamble
Ms Bonnie Greer
Ms Penny Hughes (to Item 8)
Sir George Iacobescu
Dr Olga Kennard
Baroness Kennedy
Mr John Micklethwait
Mr David Norgrove

In Attendance

Neil MacGregor   Director
Andrew Burnett   Deputy Director
Chris Yates      Director of Administration
Joanna Mackle    Director of Public Engagement (from Item 7)
Justin Morris    Director of Operations and Projects (from Item 7)
Lissant Bolton   Keeper of Africa, Oceania and the Americas (Item 2)
Mark Bates       Governance and Planning Manager (Secretary)

1. Apologies

1.1 Apologies had been received from Chief Anyaoku, Ms Armstrong, Lord Broers, Sir Ronald Cohen, Dame Liz Forgan, Mr Gormley, Sir Martin Sorrell, Professor Sen, Lord Stern and Baroness Wheatcroft.

2. Torres Strait Islanders’ claim

2.1 The Trustees considered the dossier of material relating to the Torres Strait Islanders’ claim for the repatriation of two human skulls in the Museum’s collection very carefully, and decided that they could not reach a decision on the basis of the information they had; they therefore deferred a decision until the next meeting on 5 July.

2.2 The Trustees requested that before the next Board meeting, further information or advice was sought on the likely history of the care of human skulls in the Torres Strait Islands, such as the ones under discussion, beyond the initial mortuary process and use. Any expert advice obtained would be shared with the claimants and their representatives and would be published on the Museum’s website in advance of the Board meeting.

Action: Lissant Bolton
3. **Minutes of last meeting**

3.1 The minutes of the Board meeting held on 24 November 2011 were approved and the Chairman was authorised to sign them as a true record.

3.2 Matters arising from the minutes:

3.2.1 Item 2.2.2, Spoliation claim: the Director reported the recommendations of the Spoliation Advisory Panel on a claim by the descendants of Mrs Ida Netter for six clocks and eight watches in the Museum’s collection. The Museum would follow the Panel’s recommendations.

3.2.2 Item 5.2.1, Turkey: the Director reported that no progress had been made with the Turkish authorities on their claim for the restitution of the Samsat stele.

4. **Declaration of Interests**

4.1 No interests were declared.

5. **Chairman’s report**

5.1 The Chairman informed the Board that he would chair the Nominations and Governance Committee following Val Gooding’s retirement.

5.2 David Norgrove had agreed to continue as Chairman of the Audit Committee on an interim basis, following his retirement as a Trustee. The National Audit Office had no objection to this arrangement in principle, and in reaching his decision, the Chairman had had regard to the Museum’s Governance Policies and Principles.

5.3 The Chairman reported that Lord Stern had accepted his invitation to become a Deputy Chair from 23 March, following David Norgrove’s retirement.

5.4 The Chairman would aim to hold his annual meetings with each Trustee during April and May.

5.5 The Chairman encouraged all Trustees to take the opportunity to act as a visitor host.

5.6 The Chairman informed the Trustees that the Board away meeting in September would take place in St Petersburg, focussing on the collection at the Hermitage and the opening there of the British Museum’s exhibition, *Medals of Dishonour*.

5.7 A Digital Advisory Group had been established to provide advice on the Museum’s digital strategy. It would be chaired by the Director and would include Trustees and external experts.

5.8 The Chairman reported on Jonathan Stephens’ presentation to the Standing Committee on 1 March on the Arm’s Length Bodies Review. The Chairman, along with the Chairmen of Tate, the National Gallery and Victoria and Albert, had written to Jonathan Stephens on this matter; a copy of the letter would be circulated to the Board.

*Action: Mark Bates*
5.9 The Chairman and Director had been interviewed by Charles Mackay, Chairman of Historic Royal Palaces, as part of the DCMS review of board effectiveness.

5.11 The Chairman had discussed the proposed limit on uncapped income tax reliefs (announced in the Budget) with other Chairs and would be writing to Jeremy Hunt about the potential negative impact on philanthropy.

6. Committee reports

6.1 The Chairs of the Standing Committee, Nominations and Governance Committee and the Audit Committee reported on recent committee business (see Annex to minutes).

7. Management Report

7.1 The Trustees noted the Management Report and the Director drew attention to the key issues.

7.2 Justin Morris provided a progress report on the implementation of the security action plan. He advised that a Security Strategy would be presented to the Board at the next meeting, following consultations with staff. He also informed the Board that he would be recruiting a permanent Head of Security and Visitor Services.

7.3 Chris Yates gave a progress report on the Financial Sustainability Programme. A balanced three-year budget had been agreed by the Directorate Group and would be presented at the next Board meeting. A number of consultations with staff and trade unions on a programme of structural changes were underway, and the Director would be presenting the proposals at an all-staff meeting on 23 March.

8. World Conservation and Exhibitions Centre

8.1 Andrew Burnett tabled a note on structural issues associated with the WCEC truck lift shaft and the options considered by the WCEC Committee on 15 March. He explained that the option approved would minimise the delay in completing the substructure package, and that the question of liability for additional costs was being pursued.

9. Towards 2020

9.1 The Chairman advised the Board that there would be a full discussion of the Museum’s strategy document, Towards 2020, at the next meeting.

9.2 The Director gave an overview of Towards 2020, and the views of the two retiring Trustees were discussed.

10. BM Trust grant

10.1 The Trustees re-confirmed the existing designations of funds agreed in March 2011 for the World Conservation and Exhibitions Centre and the Trust Funds. They agreed to reduce funds designated for Gallery Projects, Infrastructure Projects and Capital & Maintenance Work to £2.2 million, £0.45 million and £4.5 million respectively.
10.2 After a full discussion and careful consideration, the Trustees agreed to make a revenue grant to the British Museum Trust Limited restricted for the furtherance of the British Museum’s charitable objects; and a further capital grant to the British Museum Trust Limited restricted for the furtherance of the British Museum’s charitable objects through expenditure for capital purposes.

10.3 The Trustees asked management to ensure that the level of general reserves at the end of the financial year 2011/12 complies with the policy agreed by the Board in July 2008 of holding between one and three months’ expenditure as general reserves; specifically the Trustees asked management to retain at least £12 million as general reserves.

10.4 Trustees agreed further grants such that:

(a) any remaining general revenue reserves at the year-end, subject to Departmental Expenditure Limit budgetary restrictions, should be granted to the British Museum Trust Limited, restricted for the furtherance of the British Museum’s charitable objects; and

(b) any remaining general capital reserves at the year-end, subject to Departmental Expenditure Limit budgetary restrictions, should be granted to the British Museum Trust Limited, restricted for the furtherance of the British Museum’s charitable objects through expenditure for capital purposes.

10.5 The Trustees confirmed that they were content for reasonable costs associated with the administration of all funds granted to the British Museum Trust Limited to be applied against the funds. They delegated responsibility for agreeing the terms of the grant to the Director in consultation with the Chairman.

11. Loans

11.1 The Board approved loans to the Art Gallery of New South Wales, Sydney, Australia; Galleria degli Uffizi, Florence, Italy; and Fondazione Cassa di Risparmio di Padova e Rovigo, Italy.

12. Quarter 3 reports

12.1 The Board noted the Quarter 3 Operating Plan report, Management Accounts and Investment report.

13. Committee minutes

13.1 The Board noted the minutes of the following committee meetings:

- Standing Committee 8 September, 1 October, 27 October, 8 December and 19 January.
- Audit Committee 27 October.
- Nominations & Governance Committee 24 March, 30 June and 24 November.
- WCEC Committee 28 November and 30 January.

14.1 The Board noted the Advocacy Report.

15. Any other business

15.1 The Chairman thanked Olga Kennard and David Norgrove for their outstanding contributions to the Board and its committees.

Date of next meeting: 5 July 2012

_______________________________ Chairman
Item 6: Committee Reports

Standing Committee

The Standing Committee had met three times since the last Board meeting. The key issues considered were:

8 December 2011
- Quarter 2 reports were presented.
- A summary of the Treasures of Heaven exhibition evaluation report was presented and discussed.
- The Committee approved the Directorate Group’s proposed response to a review of Operations.
- Policies on Fire Safety and on Working and Travelling Overseas were approved.
- The Risk Management Policy was approved and it was agreed that the Trustees should have the opportunity discuss risk when the Audit Committee’s annual report is presented to the Board.

19 January 2012
- The Chairman presented his priorities for the Museum in 2012 and the Director highlighted the key long-term strategic challenges.
- The Committee discussed a revised Ethics Policy, which would be resubmitted to the June Committee meeting for approval.

1 March 2012
- The Committee received a presentation from Purcell Miller Tritton on the Great Court+ project.
- There was a discussion on the key strategic issues for the Museum to 2020.
- Jonathan Stephens attended to present DCMS’ priorities for this Parliament; the department’s approach to managing financial risk; and how the relationship with ALBs was likely to develop.

Nominations and Governance Committee

22 March 2012
- The delay in securing the Secretary of State’s approval for four Trustee appointments prior to submission to the Prime Minister was noted with concern.
- It was agreed to recruit two Prime Ministerial appointees for vacancies arising in 2012, one of whom should have legal expertise.
- Four reappointments were considered.
- The Board Performance Review for 2011 was discussed.
- David Norgrove presented the outcome of his review of the Chairman’s performance (Chairman was absent).

Audit Committee

The Audit Committee had met twice since the last Board meeting, on 26 January and 22 March. Key issues considered were:
- Financial sustainability, future income and future expenditure.
- The WCEC project.
- Pest management.
- The Olympics.