

**BRITISH MUSEUM
BOARD OF TRUSTEES
27 JUNE 2003
AT
3 PM**

PRESENT

SIR JOHN BOYD (CHAIRMAN)
HRH THE DUKE OF GLOUCESTER
MR CHARLES ALLEN-JONES
MR HASAN ASKARI
MR NICHOLAS BARBER
THE COUNTESS OF DALKEITH
MR PHILIP LADER
SIR MICHAEL HOPKINS
SIR JOSEPH HOTUNG
MR DAVID LINDSELL
MR TOM PHILLIPS RA
LORD POWELL OF BAYSWATER
MR RICHARD LAMBERT
SIR KEITH THOMAS
PROFESSOR JEAN THOMAS

The Director (Mr N MacGregor), the Deputy Directors (Ms D Austwick and Dr A Burnett), the Director of Finance (Dr C Herring), the Secretary (Mr T Doubleday) and the Deputy Secretary (Mr S Corri) were also present.

The Keepers of Ethnography, Asia and Greek & Roman Antiquities (Professor J Mack, Mr R Knox and Dr D Williams) were present for item 4. The Keeper of the Ancient Near East (Dr J Curtis) was present for item 11.

The report referred to at item 6 contains exempt information within the meaning of paragraph 4 (d) Code of Practice on Access to Government Information 1997. The reports referred to at item 5 and 7 and the minutes of committees (item 3) contains exempt information within the meaning of paragraph 7 Code of Practice on Access to Government Information 1997.

PRELIMINARY

1.1 The Chairman reported that apologies for absence had been received from Lord Browne, Professor Cunliffe, Professor Kemp, Mr Salama and Sir John Tusa.

1.2 The Chairman welcomed Mr Lambert to his first Board meeting. Mr Lambert had been appointed by the Prime Minister to serve as a Trustee for a term of four years commencing on 26 June 2003.

1.3 The Trustees wished to record their congratulations to Sir John Tusa upon his Knighthood and the acclaimed publication of his book, entitled *On Creativity*.

MINUTES OF PREVIOUS MEETINGS AND MATTERS ARISING

2.1 MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES: The Trustees agreed that the minutes of their meeting held on 21 February 2003 be signed by the Chairman as a

correct record of the proceedings. It was noted that these minutes would be the first to be published on the Museum's web site as part of its commitment to Freedom of Information.

MINUTES OF COMMITTEE MEETINGS AND MATTERS ARISING

3.1 MINUTES OF THE STANDING COMMITTEE: The minutes of the meetings of the Standing Committee on 20 March, 15 May and 19 June and a paper from the Secretary on the Board of the British Museum Company (item 3.3.2) were discussed. It was noted that the Director and Deputy Director of the Museum were not currently members of the Board of the Directors of the Company. The Trustees agreed that:

3.1.1 With respect to the British Museum Development Trust (BMDT): (a) executive responsibility for all activities related to fundraising and membership be transferred to the Director; (b) the staff of BMDT be re-designated the Development Department of the British Museum; (c) the Director (BMDT) be re-designated Director of Development, reporting to the Director of the Museum; (d) the non-executive structure of BMDT be retained as the vehicle for receipt of funds and high level individual giving (e) The Chairman of BMDT be a trustee of the British Museum; (f) the present Chairman of BMDT be made Chairman Emeritus; (g) since the majority of the members of the BMDT Board had to be Museum trustees, the Standing Committee, with advice from the BMDT Chairman, be given delegated authority to appoint additional Trustees to the BMDT Board; and (h) a paper from management, outlining the operational issues stemming from the foregoing structural changes, be received in due course.

3.1.2 With respect to the British Museum Company: a review of the Memorandum and Articles of Association of the Company be undertaken and the Standing Committee be given delegated authority to sit as an EGM of the Company to receive and pass amending resolutions (i) to simplify the Company's Articles of Association (whilst maintaining Museum's overall control of the board of directors); and (ii) to ensure that the Company's Objects are of current relevance to its principal business.

3.1.3 Policies: (a) The Policies on Risk and Finance and Control be approved; and (b) the Director (acting in consultation with the Chairman and such other Trustees as the Chairman shall nominate) be given delegated authority to approve items 3.3.3 (i) – (ii) after review having regard to the issues raised in discussion.

3.2 MINUTES OF THE NOMINATION AND GOVERNANCE COMMITTEE: The minutes of the meeting of the Nomination and Governance Committee held on 15 May 2003 were discussed and the Trustees endorsed the Committee's suggested role specifications for Board vacancies and its shortlist of potential nominees for the Board for further canvassing. The Chairman requested that Trustees provide further suggestions for potential nominees for membership of the Board of Trustees and feedback for a governance review in the Autumn, to be followed by a report to the Board on 28 November. The Trustees agreed that:

3.2.1 With respect to BMDT: Lady Dalkeith be appointed chairman.

3.2.2 With respect to the British Museum Company: (a) Upon the retirement of Mr Barber on 29 September 2003, Mr Eric Salama be appointed interim chairman of the Company; and (b) The Nomination and Governance Committee be given the delegated authority to do all things necessary to procure the appointment by the Prime Minister of

a Trustee with the time, skills and experience appropriate to become the future chairman of the Company;

3.3 MINUTES OF THE AUDIT COMMITTEE: The minutes of the meeting of the Audit Committee held on 12 May 2003 were discussed and the Director of Finance's paper on Capital Charging was received. The Trustees agreed that:

3.3.1 The Audit Committee be given the delegated authority to receive on behalf of the Board the NAO's report on errors not reflected in adjustments to the Annual Accounts 2002/03 at its meeting on 8 July 2003;

3.3.2 The Chairman of the Audit Committee be authorized to sign the Statement of Internal Control 2002/03 on behalf of the Board of Trustees.

THE CHAIRMAN'S REPORT

4.1 The Chairman congratulated the Director and all staff involved in the success of the Museum's 250th Anniversary celebrations. It was noted that the press perception of the Museum had been considerably enhanced by its recent activities. The work of the British Museum Friends, Mr John Orna-Ornstein and Ms Joanna Mackle was particularly appreciated.

4.2 The Chairman tabled for Trustees' information his correspondence dated 17 and 25 June 2003 with the Chairman of the American Friends of the British Museum and a letter from the last dated 23 June 2003. The new Chairman of BMDT said that the strategic re-alignment of the American Friends with the British Museum would be addressed by BMDT and the new Development Department (see also paragraph 5.1 below).

4.3 The Chairman said that on 10 July 2003 the Standing Committee would discuss the proposals for the Trustees Away Day on 26 September.

4.4 The Trustees of the Victoria and Albert Museum and been invited to join the Trustees of the British Museum for a joint supper on 3 September.

THE DIRECTOR'S REPORT

5.1 THE DIRECTOR'S REPORT: The Trustees discussed the contents of the Director's written report to the Board (Item 5). The Director thanked Mr Allen-Jones for his contribution to Museum strategy in Asia east of Iran. He stressed the importance of addressing the realignment of the fund raising strategies of the American Friends and the Trustees of the British Museum and remarked upon the generosity of Mrs Annenberg, whom Trustees had seen during the presentation of recent acquisitions earlier in the afternoon.

5.2 The Director drew attention to:

5.2.1 The project with the Victoria and Albert Museum to acquire jointly a post-Gupta period figure of the Buddha, in respect of which the two museums would seek funding and political support for a tour of the piece in the regions to promote the understanding of Asian cultures; and

5.2.2 The substantial progress of the work by the Deputy Director (Ms Austwick) and her team to address the deficit. The Chairman conveyed the Board's thanks to Ms Austwick.

5.3 Ms Austwick added that senior appointments in Human Resources, Communications, Education and Operations remained to be made, and that some further re-structuring was required in Buildings & Estates and Communications. Programmes for savings were in place, underway or completed in all areas except Operations, where voluntary redundancies and helpful structural solutions (put forward in a number of cases by the Trades Union representatives) were under discussion. Ms Austwick had been especially grateful for the very effective work of the Acting Head of Operations (Mr Hugh Player) and the Visitor Operations Manager (Ms Kerry Foster) in the pursuit of the savings targets for Security and Visitor Services.

5.4 The Trustees noted the underlying risk that a structural deficit might recur, whether as the result of failure to plan and control expenditure, unpredictable events affecting the world economy or the failure of grant in aid to maintain pace with inflation. Proper fundraising structures were therefore essential.

5.5 The Trustees agreed that a loan be approved, through the American Federation of Arts, of the touring exhibition, *Eternal Egypt: Masterworks of Ancient Art from the British Museum*, to Royal Ontario Museum, Toronto, Ontario, Feb 28 - June 6, 2004, Royal British Columbia Museum, Vancouver, British Columbia, July 10 - Oct 24, 2004, Montreal Museum of Fine Arts, Montreal, Quebec, Jan 22 - May 15, 2005

CULTURAL RELATIONS AND THE MUSEUM COLLECTIONS

6. The Trustees discussed the Director's written report to the Board (Item 6-9). The Trustees agreed that:

6.1 The recommendations in respect of the Human Remains Working Group's report be endorsed.

6.2 Notwithstanding the recent request from the Greek Government, there remained a compelling case for the place of the Parthenon Sculptures in the Collection of the British Museum, where the sculptures could be appreciated within the uniquely rich cultural context provided by the Museum's universal collections. Dialogue with the Organization for the Construction of the new Acropolis Museum might nevertheless be pursued to mutual benefit at the museum professional level with a view to collaboration on academic projects.

THE DRAFT ANNUAL REPORT AND ACCOUNTS

7.1 The Trustees discussed the draft Annual Report and Accounts (Item 10). It was noted that the Museum had improved considerably upon £3.183m deficit in the 2001/02 Accounts. There was now an operating surplus and the Museum was in control of its expenditure. However, the Trustees recognized that the current surplus had been achieved by unsustainable savings, that a further £2m had to be removed from the Museum's costs in 2004/05 and that the risks identified in paragraph 5.4 above left the Museum's unrestricted reserves under threat of further depletion.

7.2 To the intent that the Annual Report and Accounts might be laid before

Parliament before the recess on 17 July, the Trustees agreed that the meeting of the Standing Committee on 10 July 2003 be delegated the authority of the Board of Trustees to approve the final draft of the Annual Report and Accounts for the year 2002/2003 on the Board's behalf; that the Director, the Chairman of the Audit Committee, the Chairman of the Board of Trustees and Mr David Lindsell be authorised to sign the Annual Report and Accounts as a true and fair view of the Museum's financial activities during the year 2002/2003; and that the signed Report and Accounts be laid before both Houses of Parliament pursuant to section 7 British Museum Act 1963.

THE THREE YEAR FUNDING AGREEMENT

8. The terms of the Three Year Funding Agreement with the Department for Culture Media and Sport (Item 11) were noted.

THE SCHEDULE OF RECENT ACQUISITIONS

9. The Schedule of Recent Acquisitions (Item 12) was available for inspection by Trustees.

LIST OF FORTHCOMING EVENTS

10. The List of Forthcoming events (Item 13) was noted. The Director drew Trustees' attention to the Sackler lecture on 15 July by Dr Zahi Hawass and requested that they inform the Secretary should they wish to attend.

ANY OTHER BUSINESS

11. Iraq.- The Keeper of the Ancient Near East reported to the Trustees upon the current situation at the Iraq Museum, from where he had just returned with his colleagues Dr Dominique Collon, Ms Birthe Christensen and Mr Kenneth Uprichard. Acting under the auspices of ORHA and in consultation with Ambassador Cardone, they had assessed the needs of the Iraq Museum and how much conservation work was required to remedy the damage caused by looters. Approximately 10,000 objects were stolen; including 20-30 iconic pieces from the permanent displays along with the entire early collection of cylinder seals and an unknown quantity of objects from the stores. It appeared unlikely that an accurate list of the losses could be established. It was estimated that eight conservators led by two conservators from the British Museum could repair most of the objects broken by looters within three months. Subject to security arrangements, it was proposed to send two conservators to Iraq to lead this work between October and the end of the year. In the meantime four conservators from Iraq would come to the British Museum for training. It was not proposed that the British Museum should have any continuing role in Iraq beyond the end of the year, except, perhaps, as a part of any international plan.

The Team had been able to inspect the Mosul Museum. It had also been looted, and most of the objects that had been left on display showed signs of substantial damage. It had however been observed that the archaeological sites at Nimrud, Balawat, Nineveh and Babylon had suffered much less damage.

The Director added that Ms Sarah Collins remained in Baghdad as a member of the ORHA team, seconded to the Foreign and Commonwealth Office. He was constantly

concerned about the security of Museum staff in Iraq, and kept the question of Ms Collins' presence there under active review. The driver of a DMCS representative had been shot that morning in circumstances that suggested his ORHA vehicle was deliberately targeted.

The Chairman said that on 15 May 2003 the Standing Committee had endorsed the following terms of reference for Museum engagement in Iraq:

The Museum would:

- liaise with the Iraq Department of Antiquities to identify needs and priorities relating to the Iraqi museums' collections
- coordinate and organise help and support offered by museums and other relevant institutions from around the world
- provide expert advice and services in the fields of collections and museum management as appropriate
- liaise closely with the DMCS/HM Government
- seek all appropriate external financial support for the Museum's role
- have proportionate regard to the Museum's other external commitments

The Trustees supported the Museum's continued involvement in Iraq on the basis proposed by the Keeper of the Ancient Near East and subject to a continuing review of the security risks.