



Department
for Culture
Media & Sport

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Dame Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
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Dear Chair

Accounting Officer Assessment: NHM Unlocked Programme

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to making a summary of the key points from these assessments available to Parliament for projects within the Government's Major Projects Portfolio (GMPP).

Background and Context

The Natural History Museum (NHM) houses the most important natural history collection in the world, made up of some 80 million specimens including many of the world's most valuable cultural and scientific treasures. It is a unique resource for the UK's and global research communities. The NHM Unlocked Programme will deliver a world leading new centre at the University of Reading's Thames Valley Science Park site, bringing together natural history collections with the people, technology and equipment needed to share and use data on biodiversity through time and across the globe.

The NHM collection has never been more critical in enabling the world's scientists to address the crises arising from this planetary emergency. Its vast scale enables researchers from all over the world to document how species have responded and continue to respond to environmental change – vital in helping to predict what might happen in the future.

The new NHM hub will expand the UK's leading role in tackling urgent global challenges, using solutions from nature to drive solutions for nature. The new centre will secure the future of the Museum's collection, transform the study of natural history through novel analytical technologies and digitisation, and open up the collections to researchers and partners to stimulate scientific innovation. Underpinned by government investment, it will provide purpose-built research infrastructure for scientific advancement and collaboration.

This AO assessment considers the four accounting officer standards of regularity, propriety, value for money and feasibility.

Regularity

I assess the NHM Unlocked Programme as regular, as funding for the full programme duration is agreed upon and in place. Funding for a new science and digitisation centre for the Natural History Museum (NHM) was announced in the March 2020 Budget. Subsequently DCMS Finance Committee recommended the OBC on 12th December 2022, and HM Treasury approved the OBC and revised budget on 28th February 2023, including a commitment to fund the programme beyond the current SR period to its completion in FY 2030/31.

As the Museum is an Arm's-Length Body our relationship with government is via the DCMS Sponsored Museums team who provide DCMS oversight during delivery. Engagement on the Unlocked programme includes reporting of Early Warning Indicators at the NHM Infrastructure Committee attended by DCMS and IPA observers, and regularly reviewing the position on the profile and decision making on the budget with DCMS colleagues, in addition to quarterly museum-level accountability meetings with a broader focus.

A statutory instrument will need to be made to amend [Schedule 3 to the British Museum Act 1963](#) to designate the new site at Thames Valley Science Park (TVSP) as an "authorised repository" for the purposes of the Act. Provision has been made in the programme plan to achieve this in advance of any collections being stored at the new site, as recommended by DCMS. Spending relies on [section 70 of the Charities Act 2006](#) and will be compliant with relevant legislation including rules on subsidy control and procurement.

Summary: I assess that there are no issues of regularity.

Propriety

I assess the NHM Unlocked programme as proper. The purpose and scope of the programme remains constant, and it is just as vital now to the future flourishing of the NHM and benefits it provides as it was in 2020. It is compliant with relevant parliamentary control procedures and expectations for Arm's Length Bodies. Careful consideration was given assessing that the programme aims are consistent with overall government policy, in particular the provision of new R&D infrastructure. None of the work within scope of this programme is considered contentious, as established practices and methodologies are being used in the design and construction of the building and in the preparation and relocation of the collections, all of which will be carried out in a manner compliant with the Museum's legal obligations (as above). While a natural history collections move of this magnitude has not previously been attempted in the UK, the NHM have the expert capability required and fully expect to be able to achieve it. We have confidence in our agreed delivery option - that it is VFM, affordable, and will realise the expected range of benefits. While changes to future running costs are not certain at this stage (see Feasibility below), these will be fully developed for the Full Business Case and NHM have undertaken to underwrite or absorb any cost increases without further recourse to the Exchequer.

Summary: There are no proprietary issues.

Value for Money

£201m of government funding for the 2020-2031 period is agreed and in place, as confirmed in the Chief Secretary to the Treasury's OBC approval letter. The programme is being delivered in accordance with Managing Public Money guidance and the agreed delivery option ensures best value for the public sector investment. The cost benefit analysis conducted for the OBC demonstrates that the public sector investment is highly justified by the benefits, with the preferred option estimated to deliver a net present social value of £1.43bn over 60 years with a benefit to cost ratio of over £7 for every £1 spent, approximately double the ratio of the closest lower option. NHM continue to apply value engineering principles to the design for the new centre continuing on from those covered in the OBC.

Summary: I assess that there are no VFM issues and the agreed delivery option will deliver the best value for the Exchequer.

Feasibility

The OBC set out the implementation plan for the programme and provides a thorough evidence base for feasibility. We are confident that the programme can realistically be delivered on time and on budget and that the confirmed delivery option is the best route to deliver the benefits at optimal pace. The chief risks to delivery on budget is the impact of inflation and risk of delay, both of which are closely monitored with support from external cost consultants. As noted above NHM have committed to underwrite or absorb any further programme delivery cost increases without further recourse to the Exchequer. The Infrastructure and Projects Authority conducted a Gate 2 Assurance of Action Plan Review in October 2022 and provided a Delivery Confidence Assessment (DCA) of Amber, as did their previous Gate 0 review in July 2021. The programme will be subject to an annual IPA assurance review and will complete a closure review before it leaves the Major Programmes Portfolio.

The overall impact of the programme on the NHM's operational costs is estimated to be an increase of around £5m per annum at 2031 prices. NHM will be seeking to increase income from research grants and donations for work at Reading to offset the cost increase, and to fund from growth in other self-generated income. We will also look at opportunities to reduce and share costs e.g. on transport and facilities management with both the University of Reading, and other TVSP tenants.

Summary: Delivery of the programme is feasible, with the agreed delivery option providing the optimal balance between benefits delivery and investment.

Conclusion

As the Accounting Officer for the NHM Unlocked Programme, I considered this assessment and approved it on 07/08/2023.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them. This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Yours sincerely

A handwritten signature in black ink, appearing to read "Douglas Gurr". The signature is written in a cursive style with a large, looping initial "D".

Dr Douglas Gurr
Accounting Officer and Director, Natural History Museum