

## **EXPLANATORY MEMORANDUM TO**

### **THE NATURAL HISTORY MUSEUM (AUTHORISED REPOSITORIES) ORDER 2006**

**2006 No. 1547**

**1.** This explanatory memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

#### **2. Description**

2.1 The instrument alters the definition of the authorised repository of the Natural History Museum in South Kensington so as to exclude the part of the site known as the Central Boiler House.

#### **3. Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 None.

#### **4. Legislative Background**

4.1 The British Museum Act 1963 (“the Act”) establishes the powers and duties of the Trustees of the Natural History Museum (“the Trustees”). Section 10(3) of the Act prevents the Trustees from selling or otherwise disposing of a building or site vested in them, being an authorised repository or the site of an authorised repository. The authorised repositories of the Natural History Museum are defined by section 10(1) of the Act and Part 2 of Schedule 3 to the Act.

4.2 Section 10(2) of the Act allows the Secretary of State to alter the description of a site, with the agreement of the Trustees. The instrument is being made to alter the description of the Natural History Museum’s authorised repository in South Kensington so as to exclude the Central Boiler House.

#### **5. Extent**

5.1 This instrument extends to all of the United Kingdom but is only of practical application to England.

#### **6. European Convention on Human Rights**

6.1 David Lammy has made the following statement regarding Human Rights:

In my view the provisions of the Natural History Museum (Authorised Repositories) Order 2006 are compatible with the Convention rights.

## **7. Policy background**

7.1 The central boiler house at the Natural History Museum is an integral part of the museum's site located below ground level in the centre of the site. Ownership of the boiler equipment was transferred to the Natural History Museum from the Property Services Agency in 1988-89. At that time it provided heat to the Natural History Museum, Imperial College, the Victoria and Albert Museum, the Science Museum and the Royal College of Art. The Natural History Museum continued to operate the boiler with costs shared amongst the parties. The Royal College of Art withdrew from the scheme in 1991, and more recently Imperial College withdrew in 1999 and the Science Museum in 2001. The boiler supplies heating now only to the Natural History Museum and the Victoria and Albert Museum. For a protracted period, the Natural History Museum has been seeking to mitigate the costs now shared amongst fewer parties and to replace boilers which are coming to the end of their useful life with more efficient equipment. The new equipment will only need to be of a capacity to serve the two museums rather than the five original institutions.

7.2 Several options for reducing the costs of the two museums were originally considered. The preferred option was for a Combined Heat and Power project (CHP) funded by a public/private partnership (PPP), on the grounds that it would deliver reduced CO<sup>2</sup> emissions whilst transferring the risks to a third party. Under the proposed arrangement, the supplier will provide and operate a CHP engine, replace existing boilers, making necessary changes to infrastructure, and also take on responsibility for the maintenance of the equipment in the central boiler house.

7.3 The central boiler house at the Natural History Museum is the most logical and cost effective location for the CHP. It is already integrated into the existing distribution systems for heat and power throughout the two museums and the cost of constructing a new site for the CHP equipment, even were space available elsewhere, and connecting to the distribution systems already in place, would be highly prohibitive. .

7.3 In 2003 the Department for Culture, Media and Sport reviewed the Natural History Museum's proposals and agreed that a PPP was the preferred option. The capital costs of the PPP are within the Natural History Museum's delegated expenditure limits and do not require HM Treasury approval.

7.4 The PPP will involve a 15 year lease of the central boiler house to the supplier. The grant of a lease is standard practice for PPP projects, being a requirement of the supplier and its funder in terms of security. A lease is advantageous to the museum in that it enables the supplier to claim capital allowances as appropriate, the benefit of which is reflected in the pricing structure. The contract for this PPP project follows a standard form contract as used, for example, by the NHS

7.5 The central boiler house is at the Natural History Museum's site in South Kensington, and is part of the authorised repository described at paragraph 1 of Part 2 of Schedule 3 to the Act. Section 10(3) does not allow the Trustees to dispose of (which includes granting a lease of) the site or part of an authorised repository. It is therefore necessary to remove the central boiler house from the description of the authorised repository to enable the grant of a lease for the purposes of the PPP to the contractor.

7.7 The consent of the Secretary of State is separately required for any dealings by the Natural History Museum with its South Kensington site under the terms on which the site was transferred to the Natural History Museum in 2001.

## **8. Impact**

A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

## **9. Contact**

Ben Cowell at the Department for Culture, Media and Sport, Tel: [020 7211 6028] or e-mail: [ben.cowell@culture.gov.uk](mailto:ben.cowell@culture.gov.uk) can answer any queries regarding the instrument.