



## Finance Committee of the Barbican Centre Board

**Date:** WEDNESDAY, 8 NOVEMBER 2017  
**Time:** 1.45 pm  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:** Deputy Dr Giles Shilson (Chairman)  
Deputy John Tomlinson (Deputy Chairman)  
Russ Carr  
Deputy Wendy Hyde  
Emma Kane  
Vivienne Littlechild  
Judith Pleasance  
Deputy Tom Sleigh

**Enquiries:** Gregory Moore  
tel. no.: 020 7332 1399  
gregory.moore@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm  
N.B. Part of this meeting could be the subject of audio or visual recording

**John Barradell**  
Town Clerk and Chief Executive

## AGENDA

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES**  
To approve the public minutes and summary of the meeting held on 11 September 2017.  

**For Decision**  
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS**  
Report of the Town Clerk.  

**For Information**  
(Pages 5 - 6)
5. **GIFT AID**  
Report of the Chief Operating & Financial Officer.  

**For Information**  
(Pages 7 - 12)
6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
7. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT**
8. **EXCLUSION OF THE PUBLIC**  
MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.  

**For Decision**
9. **NON PUBLIC MINUTES**  
To approve the non-public minutes of the meeting held on 11 September 2017.  

**For Decision**  
(Pages 13 - 16)
10. **BUDGET 2017/18**  
Report of the Chief Operating & Financial Officer (TO FOLLOW).  

**For Decision**
11. **BUSINESS REVIEW**  
Report of the Chief Operating & Financial Officer.  

**For Information**  
(Pages 17 - 38)

12. **SBR / STRATEGIC PLAN UPDATE**  
Report of the Managing Director.  
**For Information**  
(Pages 39 - 44)
13. **DEVELOPMENT UPDATE**  
Report of the Chief Operating & Financial Officer.  
**For Information**  
(Pages 45 - 58)
14. **FIRE SAFETY UPDATE**  
Report of the Director of Operations & Buildings.  
**For Information**  
(Pages 59 - 60)
15. **PROJECTS UPDATE**  
Report of the Director of Operations & Buildings.  
**For Information**  
(Pages 61 - 70)
16. **CURVE GALLERY REFURBISHMENT PHASE 2**  
Report of the Director of Operations & Buildings.  
**For Decision**  
(Pages 71 - 86)
17. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
18. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT**

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## FINANCE COMMITTEE OF THE BARBICAN CENTRE BOARD

Monday, 11 September 2017

Minutes of the meeting of the Finance Committee of the Barbican Centre Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 11 September 2017 at 3.30 pm

### Present

#### Members:

Deputy Dr Giles Shilson (Chairman)  
Deputy John Tomlinson (Deputy Chairman)  
Russ Carr  
Vivienne Littlechild  
Deputy Tom Sleigh

#### Officers:

Sir Nicholas Kenyon	- Managing Director, Barbican Centre
Sandeep Dwesar	- Chief Operating & Financial Officer, Barbican Centre
Sean Gregory	- Director of Learning & Engagement, Barbican Centre
Louise Jeffreys	- Director of Arts, Barbican Centre
Jonathon Poyner	- Director of Operations & Buildings, Barbican Centre
Niki Cornwell	- Head of Finance & IT, Barbican Centre
Jim Turner	- Head of Projects, Barbican Centre
Greg Moore	- Town Clerk's Department

#### 1. APOLOGIES

Apologies were received from Deputy Wendy Hyde, Emma Kane and Judith Pleasance.

#### 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were none.

#### 3. MINUTES

The public minutes of the meeting held on 28 June 2017 were approved.

#### 4. OUTSTANDING ACTIONS

The Committee noted the various outstanding actions and the updates provided thereon.

Although an action for the Board rather than this Committee, the Chairman took the opportunity to inform Members that he was minded to continue the practice of holding meetings at Guildhall, rather than at the Barbican Centre. This was in view of the fact that to hold meetings at the Barbican would result in a potential loss of income, as space used for Board meetings would be unavailable to use for commercial lettings. Notwithstanding this, the Chairman felt that it was important for regular visits to be arranged for Board Members to ensure

familiarity with the totality of the Centre's operations. He would be raising this matter at the Board's meeting later that month.

RECEIVED.

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

6. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Item No.

8 - 16

Exemption Paragraph(s)

3

8. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 28 June 2017 were approved.

9. **BUSINESS REVIEW**

The Committee received a report of the Chief Operating & Financial Officer setting out the Business Review for the Period 4 Accounts 2017/18.

10. **SERVICE BASED REVIEW AND STRATEGIC PLAN UPDATE**

The Committee received a report of the Managing Director providing an update in respect of the Barbican's Strategic Plan and Service Based Review Targets.

11. **PROJECTS AND SECURITY UPDATE**

The Committee received a report of the Director of Operations & Buildings providing an update on the Centre's building and refurbishment projects.

12. **RISK UPDATE**

The Committee received an oral update from the Director of Operations & Buildings concerning risks facing the Centre and mitigation measures in place.

13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There was one question, concerning Gift Aid.

14. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

**The meeting ended at 4.15 pm**

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Chairman

**Contact Officer: Gregory Moore**  
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**gregory.moore@cityoflondon.gov.uk**

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**Outstanding Actions List  
Barbican Centre Board and Finance Committee**

<b>Action</b>	<b>Notes</b>	<b>Officer/body responsible</b>	<b>Date added</b>	<b>To be completed/ progressed to next stage</b>
<b>Fire Strategy</b>	Summary report on new Fire Strategy to be presented when complete.	Director of Operations & Buildings	June 2017 (Finance)	Scheduled for November Finance / Board meetings.
<b>Review of Skills and Effectiveness</b>	Circulated survey to be analysed for November Board meeting.	Town Clerk	September 2017 (Board)	On agenda for November Board.
<b>Gift Aid</b>	Report to be produced concerning limitations and possibilities associated with Gift Aid.	Chief Operating & Financial Officer	September 2017 (Finance)	On agenda for November Finance meeting.
<b>International Strategy</b>	International Strategy being developed; to be presented to Board when complete.	Director of Arts	September 2017 (Board)	On agenda for January Board.
<b>Board visits to the Barbican</b>	Management Team asked to consider a series of visit opportunities for the Board to become more acquainted with both front and back of house operations.	Management Team	September 2017 (Board)	Ongoing – under consideration.

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<b>Committees:</b>	<b>Dates:</b>
Finance Committee of the Barbican Centre Board Barbican Centre Board	8 November 2017 20 November 2017
<b>Subject:</b> Gift Aid	<b>Public</b>
<b>Report of:</b> Chief Operating and Financial Officer <b>Report Author:</b> Head of Development	<b>For Information</b>
<p><b>Summary</b></p> <p>Gift Aid is a programme to encourage giving to charities. Income to the Barbican Centre therefore does not qualify for Gift Aid.</p> <p>The Barbican Centre Trust (BCT) is a charity, and structures giving programmes to maximise Gift Aid. The BCT claims Gift Aid on all qualifying donations.</p> <p>Barbican Membership does not presently qualify for Gift Aid.</p> <p>The HMRC published updated Gift Aid guidance on 25 October 2017. Giving and Membership programmes will be reviewed to look for new opportunities to maximise Gift Aid.</p> <p><b>Recommendation</b> This report is for Members to note.</p>	

## Main Report

### **Gift Aid Background**

1. Gift Aid is available to charities and community amateur sports clubs. As part of the City of London Corporation, the Barbican is not eligible to claim Gift Aid.
2. Through Gift Aid, charities can claim 25p on every £1 donated for eligible donations. To be eligible, the gift must be made out of income (rather than capital), the donor must provide a Gift Aid declaration (written or verbal) and the donor must have paid at least as much Income Tax or Capital Gains Tax in the tax year the claim is being made. Gift Aid is unrestricted income.
3. The programme is primarily designed for donations from individuals but it also applies to donations from limited partnerships and limited liability partnerships.

**Gift Aid and the Barbican Centre Trust**

4. As a charity, the Barbican Centre Trust (BCT) is able to make Gift Aid claims on eligible donations, and has since 2009/10. This claim is processed by Finance with help from Development on behalf of the BCT. The value of the claim has been increasing as the individual giving programmes have grown.
5. See Appendix 1 for a list of BCT fundraising programmes and Gift Aid status. We maximise Gift Aid wherever possible. Most donations to the BCT qualify.
6. There are many reasons a donation will not qualify for Gift Aid. Donations from family foundations, Charities Aid Foundation (CAF) accounts, and payroll giving do not qualify for Gift Aid because the tax has already been claimed. Gifts of shares, gifts from limited companies, and gifts where the donor is receiving significant benefits also do not qualify. Individuals who are not paying tax in the UK because they live abroad or are not paying enough tax are not able to make declarations.
7. There are also fundraising programmes that do not qualify. For example, tickets to fundraising events do not qualify because the payment must be a donation and not an entry fee. If someone makes a voluntary donation over and above the ticket price, that amount would qualify for Gift Aid.

**Gift Aid and Benefits**

8. HMRC sets limits on the value of benefits that can be provided to donors when they give. They are:

<i><b>Donation</b></i>	<i><b>Maximum value of benefit</b></i>
Up to £100	25% of the donation
£101 - £1,000	£25
£1,001 and over	5% of the donation (up to £2,500)

9. The Barbican Centre Trust structures giving programmes to maximise Gift Aid. This involves limiting the benefits (items or services) provided to donors to stay within these benefit limits. See table below:

<i><b>Typical Barbican Patron Gifts Amounts</b></i>	<i><b>Benefit Limit</b></i>
£1,200	£60
£1,500	£75
£3,000	£150
£6,000	£300
£10,000	£500

10. Some arts organisations offer extensive benefit packages with their Patron programmes. Organisations are moving toward a philanthropic model or ‘splitting’ the donations into a portion that qualifies for Gift Aid and a portion that does not. This must be clearly stated and the ‘benefit package’ must be available for purchase without the donation.
11. Benefits can also attract VAT, and this has different rules from Gift Aid which further complicates the matter.

12. HMRC updated its guidance on Gift Aid on 25 October 2017 following the charity sector's request for greater clarity on how benefits are handled. Development and Finance will review and take any necessary actions to ensure that BCT donation programmes continue to maximise Gift Aid.

#### **Gift Aid and Barbican Membership**

13. At present Barbican Membership does not qualify for Gift Aid. Membership income goes through the Barbican Centre, and not the BCT.
14. We will also review Barbican Membership in light of HMRC's updated guidance and assess whether there is an opportunity to claim Gift Aid on a portion of the income.

#### **Viewing Charity Property & the Gift with Ticket Programme**

15. Entry fees to visit and view charity property do not qualify for Gift Aid because they are not a gift. But a voluntary donation that allows visitors to view your property may qualify for Gift Aid.
16. Some arts organisations which are charities offer the option to make an optional donation with their ticket. The charity is then able to claim Gift Aid on the full value of the ticket. This type of ticket is often used at cultural and heritage sites.
17. As Barbican exhibitions are produced by and income received by the Barbican Centre, this Gift Aid ticket scheme is not available.
18. However, audience members are asked for donations on behalf of the BCT when they are purchasing a ticket to an event at the Centre. Those donations qualify for Gift Aid when we have the necessary declaration information. At present, we are only able to claim Gift Aid on eligible online donations and some phone bookings. Declarations are not currently taken for in-person bookings because of the time it takes for data entry.

#### **Gift Aid Claims and Record Keeping**

19. HMRC requires an audit trail linking the donation to the donor and their declaration. The Development department collects Gift Aid declarations from donors in writing or verbally. This is recorded in the donor database, written declarations are scanned, and this is audited each year with the BCT accounts. Gift Aid declarations made for phone bookings are recorded in the ticketing system.
20. HMRC updates Gift Aid rules and declarations periodically. Simplified declarations were provided in October 2015 for implementation by April 2016.

#### **Conclusion**

21. Gift Aid is an important source of unrestricted income. It is maximised by the BCT's giving programmes. Barbican Membership is not currently eligible.

22. The HMRC's updated guidance on Gift Aid provides an opportunity to review all giving and membership programmes to ensure Gift Aid is maximised.

**Contact:**

**Lynette Brooks**

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## Appendix 1

### Barbican Fundraising Programmes and Gift Aid Status

Barbican Patrons & Major Gifts	<p>We seek declarations with all gifts, and claim Gift Aid on all eligible gifts.</p> <p>The majority of Barbican Patron donations qualify for Gift Aid. Generally, the larger the gift the more likely it will come from a personal or family trust.</p>
Barbican Ball	<p>Tickets: We do not claim Gift Aid.</p> <p>Donations: We solicit donations before and at the event. These qualify.</p> <p>Auction: The retail value of the item does not qualify for Gift Aid, the amount paid over that does. We don't claim Gift Aid on auction income.</p>
Other Donations	<p>We seek declarations with all gifts, and claim Gift Aid on all eligible gifts.</p>
Gifts with Ticket Purchase	<p>We claim Gift Aid on all eligible gifts when we have a valid declaration.</p>
Visitor Giving (coin collections & contactless)	<p>Donations under £20 qualify for the Gift Aid Small Donations Scheme. Charities can claim up to £2k in a tax year.</p>
Legacies	<p>Do not qualify for Gift Aid.</p>

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