



Finance Committee of the Barbican Centre Board

Date: WEDNESDAY, 7 MARCH 2018
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 8 November 2017.

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

For Information
(Pages 5 - 6)
5. **RETROSPECTIVE WAIVER REPORT**
Joint report of the Chamberlain and Managing Director.

For Information
(Pages 7 - 10)
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 8 November 2017.

For Decision
(Pages 11 - 14)
10. **BUSINESS REVIEW**
Report of the Chief Operating & Financial Officer.

For Information
(Pages 15 - 36)
11. **SBR / STRATEGIC PLAN UPDATE**
Report of the Managing Director.

For Information
(Pages 37 - 42)

12. **PROJECTS UPDATE**
Report of the Director of Operations & Buildings.

For Decision
(Pages 43 - 54)

13. **WOODBLOCK FLOORING - ISSUES REPORT**
Report of the Director of Operations & Buildings.

For Information
(Pages 55 - 58)

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

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

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FINANCE COMMITTEE OF THE BARBICAN CENTRE BOARD

Wednesday, 8 November 2017

Minutes of the meeting of the Finance Committee of the Barbican Centre Board held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Wednesday, 8 November 2017 at 1.45 pm

Present

Members:

Deputy Dr Giles Shilson (Chairman)
Deputy John Tomlinson (Deputy Chairman)
Russ Carr
Deputy Wendy Hyde
Emma Kane
Judith Pleasance
Deputy Tom Sleigh

Officers:

Sir Nicholas Kenyon	-	Managing Director, Barbican Centre
Sandeep Dwesar	-	Chief Operating & Financial Officer, Barbican Centre
Niki Cornwell	-	Head of Finance & IT, Barbican Centre
Lynette Brooks	-	Head of Development, Barbican Centre
Greg Moore	-	Town Clerk's Department

1. APOLOGIES

Apologies were received from Vivienne Littlechild.

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 the 11 September 2017 were approved.

4. OUTSTANDING ACTIONS

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

RECEIVED.

5. GIFT AID

The Committee received a report of the Chief Operating and Financial Officer providing clarity on the question of Gift Aid and the eligibility of both the Barbican Centre and Barbican Centre Trust to claim it.

It was noted that, at present, Barbican membership did not qualify for Gift Aid and that membership income came through the Barbican Centre, and not the Trust. It was suggested that it was worth exploring the possibility of transferring the membership scheme to the Trust's ownership, although it was accepted that the benefits were such that this would still be unlikely to qualify for Gift Aid. The Head of Development reassured the Committee that Barbican membership would be being reviewed in light of HMRC's recently updated guidance on Gift Aid with a view to assessing whether there was an opportunity to claim on a portion of the income.

Members also discussed the possibility of claiming Gift Aid around charity auctions. Noting that this would require the value of all prizes to be advertised in advance, the Head of Development expressed the concern that this might risk suppressing the bidding for certain items; however, noting Members comments concerning its successful use elsewhere, she undertook to give the matter further consideration.

RECEIVED.

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

There were no questions.

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

There were no urgent items.

8. **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.

9-16

Exemption Paragraph(s)

3

10. **BUDGET 2017/18**

The Committee considered and approved a report of the Chief Operating & Financial Officer presenting the draft budget for 2018/19.

11. **BUSINESS REVIEW**

The Committee received a report of the Chief Operating & Financial Officer setting out the Business Review for the Period 6 Accounts 2017/18.

12. **SBR / 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.

13. **DEVELOPMENT UPDATE**

The Committee received a report of the Chief Operating & Financial Officer which set out the latest fundraising results against budget.

14. **FIRE SAFETY UPDATE**

The Committee received a report of the Director of Operations & Buildings updating Members in respect of fire safety management at the Centre.

15. **PROJECTS UPDATE**

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

16. **CURVE GALLERY REFURBISHMENT PHASE 2**

The Committee received a report of the Director of Operations & Buildings concerning a project to refurbish the Curve Gallery.

It was noted that the Projects Sub-Committee had declined to approve the project at its meeting earlier that day, with a number of questions having been raised. Authority had been delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Projects Sub-Committee, to reconsider this proposal once satisfactory answers had been provided.

Given this, the Finance Committee of the Barbican Centre Board agreed to defer consideration of the item at this time.

RECEIVED.

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

There was one question, concerning budgeted income for gallery exhibitions.

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

There were no urgent items.

The meeting ended at 2.40 pm

Chairman

Contact Officer: Gregory Moore
tel. no.: 020 7332 1399
gregory.moore@cityoflondon.gov.uk

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

Action	Notes	Officer/body responsible	Date added	To be completed/ progressed to next stage
International Strategy	International Strategy being developed; to be presented to Board when complete.	Director of Arts	September 2017 (Board)	On agenda for March Board.
Board visits to the Barbican	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 – first visit took place 23 Feb 2018, next scheduled for 19 March.
Review of Skills and Effectiveness	Approved Action Plan to be implemented.	Town Clerk	January 2018 (Board)	Ongoing – progress to be monitored by Nominations Committee.
Annual Dinner	Summary / outcomes report to be produced following annual dinner.	Town Clerk / Managing Director	January 2018 (Board)	On agenda for March Board.
Bad debts/write-offs	Explanatory note concerning a particular write-off to be circulated.	Head of Finance / Town Clerk	January 2018 (Board)	Complete (circulated 21/1/18).

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Committee: Finance Committee of the Barbican Centre Board Barbican Centre Board	Date: 7 March 2018 21 March 2018
<i>Urgent Retrospective Waiver Report (Rule 25 Procurement Code)</i>	
Subject: Barbican Art Gallery Agency Staffing – Artisan People	Public
Report of: Chamberlain Managing Director, Barbican Centre	For Information
Report author: Zoe Jackman, Art Galleries – Barbican Centre Lisa Moore – Chamberlain’s	

Summary

Members are asked to note the grant of retrospective waiver concerning the appointment of *Artisan People*, a specialist agency who focus on gallery invigilation, to supplement the casual gallery staffing team during the final weeks of the Basquiat exhibition.

The move to appoint *Artisan People* was initially taken following the receipt of late notice that the City Corporation’s contracted agency for temporary staff, *Hays*, would be unable to sufficient personnel for the Gallery to open on a busy Saturday. Based on this and past experience of using the Corporate Contract with *Hays*, the Barbican was concerned that *Hays* could not deliver the calibre and reliability of staff needed and appointed *Artisan People* to provide temporary staff for the remainder of the exhibition.

The specialist nature of this sort of support is expected to be required going forward and the Barbican will therefore work with the Corporate Contract and City Procurement to see if this can be resolved before the next exhibition.

Recommendation(s)

The Board is asked to note the award of the contract for Agency Staffing to Artisan People for a value of £120,000 from 01/10/2017 to 01/02/2018.

Main Report

Background

1. *Basquiat* proved to be a blockbuster exhibition, with the level of interest in this exhibition surpassing the Gallery Team’s expectations and plans. This resulted in extending the opening hours of the gallery.
2. The exhibition contains a large number of extremely high value artworks who came from several private lenders, which had additional security and insurance implications. Reputational and financial risk should something go wrong was potentially extremely high.

3. All of this resulted in a huge strain on the Gallery team, who must have a certain number of staff on site in order to open the gallery to the public. The Gallery was unable to fulfil these requirements from its own pool of casual staff and therefore needed to supplement existing gallery staffing with agency staff. It is imperative for the Gallery that there be a reliable source of temporary workers and they are able to employ them at short notice if needed, so that Gallery opening hours and potential revenue are not impacted.
4. The City of London Corporation's contracted agency, *Hays*, was initially approached; however, they failed to supply personnel on time and in sufficient numbers, or that were suitable for the role required. This culminated in the Gallery receiving notice late on a Friday afternoon that *Hays* would be unable to supply staff for the following day.
5. This would have meant the Gallery would have been unable to open on the busiest day on the week. To avoid the associated loss of income and reputational risk, the Barbican had to find an alternative supplier who were able to supply appropriately trained staff at short notice.
6. *Artisan People* were one company it was known would be able to deliver, and indeed supplied staff who were briefed, on time, and understood the particular needs of Gallery invigilation, as they are a company which specialises in supplying gallery and museum staff.
7. Having procured *Artisan's* support urgently, the front of house gallery (FOH) team continued to be stretched due to the popularity of Basquiat, and advised that they did not have the capacity to cancel *Artisan* and re-do the rota, and train up new *Hays* staff. They were therefore appointed by the Barbican for the remainder of the exhibition.
8. *Artisan* had already created a pool of staff who are used only on Basquiat, and our FOH team had invested considerable time in briefing and training them for this project. They were familiar with our security, fire safety and customer service procedures, as well as being briefed on the show.
9. The Barbican did not believe that *Hays* would be able to fill the rota with appropriate staff at short notice and, based on their service to date, believed it would be unadvisable to rely on them.
10. *Artisan* were felt to be reliable, appropriately aware and provide an excellent service to the Gallery, which would not have been able to open without their staffing support. The Basquiat exhibition was set to be the Barbican's most successful exhibition ever, and it was imperative that we are able to open with the appropriate number of staff for the safety and security of the public and the high value artworks on display.
11. The hourly rate agreed was comparable with that of the rate quoted by *Hays* when asked to supply staffing to the gallery, a difference of 1p per hour.

Issue and Retrospective Waiver

12. Having already appointed *Artisan*, the Barbican approached City Procurement who advised that they should have used the *Hays* contract for their requirement. Their position was that no issues with this contract had been escalated to City Procurement for review, nor advice sought as to what options there were in respect of going outside the existing corporate arrangements.
13. However, as the waiver sought was retrospective, there was no option to but to agree so that payments could be made to the supplier.
14. Going forward, if *Hays* cannot provide staff then Procurement have advised that the Barbican should raise performance issue with *Hays* to Corporate Human Resources to see if they can be resolved and, if not, seek agreement to go outside the contract.
15. If it is agreed that the most appropriate course of action is to go outside the corporate contract, rule 15 of the procurement code should be followed and a tender process completed via procurement platform *capitalEsourcing*.
16. If requirements are urgent, they must only be put in place for the period of time it would take to take appropriate steps to put a compliant contract in place.
17. It has also been suggested that the Barbican recruit more casual invigilators into the Barbican Art Gallery pool to lessen the general reliance on agency staffing.

Procurement Strategy

18. The procurement of the interim was via direct award. No extension or replacement of this interim contract was considered. Should an extension have been required, a competitive process would have to have been undertaken to ascertain best value was being achieved.

Summary of Issue

19.

Name of supplier	Artisan People
Length of contract:	4 months
Contract start date:	01.10.2017
Contract end date:	01.02.2018
Total Contract Value:	£120,000
Annual Contract Value:	£120,000
Estimated Total Savings:	£0
Estimated Annual Savings:	£0

Responsible Procurement Implications

20. It has been confirmed that these casual workers were paid the London Living Wage.

Comments Received

21. Below are the comments submitted at the time in respect of the waiver submission from the various departments involved.

Department	Comments
City Procurement	This is a retrospective requirement and due to money being owed to the supplier we have no choice but to support the waiver.
Comptroller & City Solicitor's	These arrangements are acceptable given the lack of alternatives.
Financial Services Division (Barbican)	This was needed to deliver the additional £1m in box office that Basquiat is forecast to deliver. A contract to ensure the Barbican is Procurement compliant is needed going forward.
Departmental Chief Officer	An absolutely essential response to a late situation in that the exhibition was far more successful than anticipated.

Conclusion

22. The Basquiat exhibition was unprecedented in terms of visitor numbers and the high value of works on display. Therefore it was felt vital that the Barbican was able to ensure sufficient staffing to allow for the Gallery to be open and safe for the public, as well as to guarantee the security of the works on display.
23. Members are asked to note the award of the contract for Agency Staffing to *Artisan People* for a value of £120,000.00 from 01/10/2017 to 01/02/2018. The Barbican will work with City Procurement to establish an arrangement that will be compliant for the next exhibition.

Appendices

- None

Victoria Lord

Senior Category Manager

T: 0207 332 1673

E: victoria.lord@cityoflondon.gov.uk

Zoe Jackman

Art Gallery Manager, Barbican

T: 020 7382 2382

E: zoe.jackman@barbican.org.uk

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