



Barbican Centre Board

Date: WEDNESDAY, 18 NOVEMBER 2020
Time: 11.00 am
Venue: VIRTUAL MEETING (ACCESSIBLE REMOTELY)

Members: Deputy Tom Sleigh (Chair)
Deputy Dr Giles Shilson (Deputy Chairman)
Munsur Ali
Randall Anderson
Stephen Bediako (External Member)
Tijs Broeke
Russ Carr (External Member)
Zulum Elumogo (External Member)
Alderman David Graves
Gerard Grech (External Member)
Deputy Wendy Hyde (Ex-Officio Member)
Emma Kane (Ex-Officio Member)
Vivienne Littlechild
Jeremy Mayhew
Wendy Mead
Lucy Musgrave (External Member)
The Rt Hon. the Lord Mayor, Alderman William Russell
Jenny Waldman (External Member)

Enquiries: Leanne Murphy, tel. no.: 020 7332 3008
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Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://youtu.be/jlUBqhm2TFk>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

John Barradell
Town Clerk and Chief Executive

AGENDA

A number of items on the agenda will have already been considered by the Board's Finance and/or Risk Committees and it is therefore proposed that they be approved or noted without discussion. These items have been marked with a star (*). Any Member is able to request that an item be unstarred and subject to discussion; Members are asked to inform the Town Clerk or Chairman of this request prior to the meeting.

1. **APOLOGIES**
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THIS AGENDA**
3. **BOARD MINUTES**
To approve the public minutes and summary of the Barbican Centre Board meeting held on 16 September 2020.

For Decision
(Pages 1 - 10)
4. **FINANCE & RISK COMMITTEE MINUTES**
To receive the draft public minutes and summary of the Finance & Risk Committee of the Barbican Centre Board meeting held on 2 November 2020.

For Information
(Pages 11 - 14)
5. **OUTSTANDING ACTIONS AND WORK PLAN**
Report of the Town Clerk.

For Information
(Pages 15 - 18)
6. **MANAGEMENT REPORT BY THE CENTRE'S DIRECTORS**
Report of the Managing Director.

For Decision
(Pages 19 - 30)
7. **EQUALITY AND INCLUSION UPDATE**
Oral update - the Director of Innovation & Engagement to be heard.

For Information
8. **RESETTING OF DEPARTMENTAL BUDGETS 2020/21**
Report of the Chamberlain.

For Information
(Pages 31 - 42)
9. **CULTURE MILE PRESENTATION**
The Culture Mile Manager to be heard.

For Information
10. ***INTERNAL AUDIT UPDATE**
Report of the Head of Audit & Risk Management.

For Information
(Pages 43 - 54)

11. ***PROJECTS UPDATE REPORT**
 Report of the Director of Operations and Buildings.
(N.B. – To be read in conjunction with the non-public appendix at Item 26)
- For Information**
(Pages 55 - 64)
12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
14. **EXCLUSION OF THE PUBLIC**
 MOTION – That under Section 100A 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 1, of Schedule 12A of the Local Government Act.
- For Decision**
15. **NON-PUBLIC BOARD MINUTES**
 To agree the non-public minutes of the Barbican Centre Board meeting held on 16 September 2020.
- For Decision**
(Pages 65 - 68)
16. **NON-PUBLIC FINANCE & RISK COMMITTEE MINUTES**
 To receive the draft non-public minutes of the Finance & Risk Committee of the Barbican Centre Board held on 2 November 2020.
- For Information**
(Pages 69 - 72)
17. **MUSIC: ANNUAL UPDATE**
 Report of the Interim Artistic Director.
- For Information**
(Pages 73 - 90)
18. **LSO ANNUAL REVIEW**
 Report of the Managing Director, London Symphony Orchestra.
- For Information**
(Pages 91 - 98)
19. **BOARD APPOINTMENT**
 Report of the Town Clerk.
- For Decision**
(Pages 99 - 106)
20. **BARBICAN BUSINESS PLAN 2021/22 - 2024/25**
 Report of the Chief Operating & Financial Officer.
- For Decision**
(Pages 107 - 174)

21. **ART TRANSPORTATION FRAMEWORK PROCUREMENT STAGE 2 AWARD REPORT**
Report of the Chamberlain.
For Decision
(Pages 175 - 180)
22. **DEVELOPMENT REVIEW**
Report of the Chief Operating and Financial Officer.
For Decision
(Pages 181 - 194)
23. **COVID-19 SITUATION UPDATE**
Report of the Chief Operating and Financial Officer.
For Decision
(Pages 195 - 212)
24. ***BUSINESS REVIEW - SEPTEMBER 2020 (PERIOD 6 - 20/21)**
Report of the Chief Operating & Financial Officer.
For Information
(Pages 213 - 218)
25. ***CONTROVERSIAL PROGRAMMING RISK REGISTER**
Report of the Interim Artistic Director.
For Information
(Pages 219 - 230)
26. ***PROJECTS UPDATE: NON-PUBLIC APPENDIX**
To be read in conjunction with the report at Item 11.
For Information
(Pages 231 - 234)
27. ***RISK UPDATE**
Report of the Director of Operations and Buildings.
For Information
(Pages 235 - 274)
28. **REPORT OF ACTION TAKEN**
Report of the Town Clerk.
For Information
(Pages 275 - 278)
29. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE BOARD**
30. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT WHILST THE PUBLIC IS EXCLUDED**

BARBICAN CENTRE BOARD

Wednesday, 16 September 2020

Minutes of the meeting of the Barbican Centre Board held at Virtual meeting on
Wednesday, 16 September 2020 at 11.00am

Present

Members:

Deputy Tom Sleight (Chair)	Deputy Wendy Hyde (Ex-Officio Member)
Deputy Dr Giles Shilson (Deputy Chairman)	Emma Kane (Ex-Officio Member)
Munsur Ali	Vivienne Littlechild
Randall Anderson	Jeremy Mayhew
Stephen Bediako (External Member)	Wendy Mead
Russ Carr (External Member)	Lucy Musgrave (External Member)
Elumogo (External Member)	Jenny Waldman (External Member)
Alderman David Graves	

In Attendance

Officers:

Sir Nicholas Kenyon	- Managing Director, The Barbican Centre
Jonathon Poyner	- Director of Operations & Buildings, Barbican Centre
Sandeep Dwesar	- Chief Operating & Financial Officer, Barbican Centre
Natasha Harris	- Director of Development, Barbican Centre
Leonora Thomson	- Interim Artistic Director, Barbican Centre
Sean Gregory	- Director of Innovation & Engagement, Barbican Centre
Niki Cornwell	- Head of Finance and Business Administration, Barbican Centre
Nick Adams	- Acting Head of Communications, Barbican Centre
Steve Eddy	- Head of HR, Barbican Centre
Laura Whitticase	- Strategic Lead, Barbican Centre
Andrew Buckingham	- Communications Team, Town Clerk's Department
Leanne Murphy	- Town Clerk's Department

1. APOLOGIES

Apologies for absence were received from Gerard Grech and the Rt Hon. the Lord Mayor Alderman William Russell.

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

There were no declarations.

3. MINUTES

a. Board Minutes

The public minutes and summary of the Board meeting held on 22 July 2020 were approved as a correct record.

b. **Finance & Risk Committee**

The draft public minutes of the Finance & Risk Committee meeting held on 7 September 2020 were received.

c. **Nominations Committee**

The public minutes of the Nominations Committee meeting held on 22 July 2020 were received.

4. **OUTSTANDING ACTIONS AND WORK PLAN**

The Board noted the various outstanding actions and the updates provided thereon. The workplan for Board meetings in 2020/21 was also noted.

5. **MANAGEMENT REPORT BY THE CENTRE'S DIRECTORS**

Members received a report of the Managing Director providing updates from the Barbican Directors on their respective areas. The following comments were made:

- The Managing Director stated that this was an important moment for the Centre as it worked to gradually reopen to the public and gain public confidence. Thanks was given to all staff that had worked tirelessly to make the building safe and to the City Corporation for their continued help and support throughout.
- A recent public survey reported that 95% of attendees felt safe at the Centre which had now raised to 97/8%. The Managing Director regarded this as an important step for culture and showing the Barbican as a big contributor in bringing people back to the Square Mile.
- With regards to the cinemas, it was noted that Cinema 1 viewings would increase to two viewings a day from Friday. Cinemas 2 and 3 were planned to reopen in November.
- Members were advised that the normally split classical and contemporary offer would now be brought together to provide a stronger programme.
- Members were encouraged to attend the Leytonstone Loves Film event which began today and would last for three weeks delivering screenings, workshops and talks both live and online.
- Michael Clark: Cosmic Dancer opens on 7 October in Barbican Art Gallery.
- Cross-departmental thinking continues to take place looking at how the narrative of their work was shared and what more could be done to sell the Barbican's story and fundraise.
- The new 12-month creative learning programme has launched and been well received.

- Creative Learning took part in the virtual London Careers Festival on 29 June 2020, with a Q&A targeted at the post-16 age group discussing careers in the arts. On the discussion panel were a range of Barbican staff, with representation from Art Gallery, Cinema, Music and Theatre.
- Recruitment for new creative cohorts 20/21 has begun including Young Creatives programmes for Young Poets, Programmers, Visual Arts Group and National Open Youth Orchestra.
- A new online short course, A Brief History of Brutalism at the Barbican, has been developed through the Barbican Guildhall Creative Alliance and will be launched in September over six seminars.
- The first Barbican Association meeting since lockdown will take place on 12 October 2020.
- The Barbican Kitchen has reopened, and it was hoped that Osteria and the Martini Bar would follow soon.
- Members were advised that developing a programme of events had been difficult due to the uncertain financial impacts of Covid, loss of funding opportunities, phased reopening of the building and the overall changed landscape. A five-year plan was in development.
- Members were encouraged by the positive stats concerning returning audience and visitors perception of safety at the Centre.
- A Member felt that it would be useful to publicise to visitors exactly what the physical arrangements at the Barbican were and what to expect. Officers confirmed information regarding visitor experience, safety procedures and how the Centre was being managed was available on the website.
- The Chair noted that City Corporation leaders had joined a round table with MPs and requested clarity concerning confusing rules and information to the public around travel, visiting cultural institutions and the new rule of six.
- A Member queried how residents further than the unique local Barbican residents were engaged with and welcomed more engagement with other Wards and residents throughout the City. Officers agreed there was a strong relationship with those residents immediately close to the Centre who particularly engaged through the Barbican Association on local issues and Barbican Residential Committee. The Barbican remained committed to engaging with all City residents and bordering Boroughs through its Creative Learning and Beyond Barbican projects and general civic ambitions. Officers were also working within Culture Mile on a hyper local project to join resources and efforts to encourage

all residents to come into City and enjoy culture, including the Barbican, making it accessible to all.

- The Chair agreed to join the next Barbican Residential Committee meeting and felt that transport specifically was the goal to target to encourage wider residents in the City to visit the Barbican.
- Members felt that it was important to know where visitors were coming from to help capture different audiences and where to target marketing. Communicating and sharing messaging through local/ City newspapers was suggested.
- In response to a question concerning the value of in-kind support, it was confirmed that the Barbican supported and highly subsidised various ventures and was also approached by artists for support.

6. **BARBICAN CENTRE BOARD: REVIEW OF COMPOSITION AND TERMS OF REFERENCE**

The Board considered a report of the Town Clerk concerning a review of the composition and Terms of Reference for the Barbican Centre Board. The following comments were made:

- The Chair gave context for the report, the aim of which was to make the Board the best it could possibly be and resolve any unclarity within the terms of reference. This would work alongside the recommendations of Lord Lisvane's Governance Review, open up conversations and dovetail into the wider review work to come.
- A Member did not feel that the City Corporation representation should be in the majority which would align better with other arts organisations. It was noted that this had been discussed previously for this Board and other City Corporation arts and culture Boards and the decision by Court had always been that Court Members should be the majority.
- Another Member added that it was conceivable to move away from a majority of Court Members; however, the Centre would need to accept that the City Corporation was no longer the "bank of last resort". Members agreed that there was a trade-off between the benefits and disadvantages, and it was acknowledged that the Corporation would be put in a very difficult position if there were financial difficulties in the future. Members ultimately agreed that without a clear alternative strong source of funding available to replace the City Corporation, the Court Members should keep its majority.
- It was accepted that the report was not asking for a loss of City Corporation control, it was advocating for membership with artistic experience. It was agreed that the Board's membership needed relevant expertise and increasing the number of external members would achieve this.

- A Member felt that more time was needed for Members to consider the profound implications of the report and Lisvane's recommendations, both of which Members only received yesterday and may make the recommendations irrelevant. The Chair disagreed arguing that it could take up to 2022 before changes were made based on Lord Lisvane's recommendations.
- With regards to terms, a Member thought it was very important to strictly limit terms in order that all Board Members provide their expertise and not rejoin when the term ended allowing new people to come through and increase diversity of voices and appropriate refreshing of board expertise.
- This was supported by another Member who advocated for a representative Board and diversity of leadership and a succession process was recommended.
- Members discussed the proposal to introduce Board placements, the uncontentious overlap with the Education Board and the possibility for the Board to add two more external Members. Members supported the recommendations within the report and the Town Clerk confirmed a report would need to go the P&R to approve these changes to the Board's terms of reference.
- Members heavily debated the issue of term limits. Whilst all agreed clarity was required to avoid ambiguity, not all Members agreed with a flat ban on Members re-joining the Board after 9-years continuous service. It was acknowledged that there was a difference between ex officio Members from a committee such as the Finance Committee which could be represented by anyone on the Committee or a Chairman of a culture Committee with shared interests that would benefit from being on the Board.
- For clarity, it was ultimately agreed that there should be a hard 9-year term limit for all Members with the exception of incumbent Chairmen and Deputies so as to not cut them off during their term if impacted by the 9-year rule. Members agreed to grant delegated authority to the Chair and Deputy Chairman with the Town Clerk to take forward the recommendations within the report.

RESOLVED:–

- That Members consider:
 - An alteration to the composition of the Board, to allow for additional external expertise to be utilised (see paras 6-18);
 - Recommendations to clarify the application of term limits (see paras 19-28);
 - The introduction of "Board Placement" roles (see paras 29-39);

- A clarification in respect of the Board's Terms of Reference (paras 40-46);
 - To recommend to the Policy and Resources Committee and Court of Common Council accordingly.
- That Delegated Authority be granted to the Town Clerk, in consultation with the Chair and Deputy Chairman, to take forward the recommendations on behalf of the Board.

7. **EQUALITY AND INCLUSION UPDATE**

The Board considered a joint report of the Head of HR, Interim Artistic Director and Director of Innovation and Engagement providing an update on the Equality and Inclusion work now underway.

The Chair highlighted the paramount importance of the subject now more than ever and wanted the Barbican and Board to be as inclusive as possible. It was acknowledged that whilst lots of work was happening, there was still more to do.

Officers confirmed a successful Equalities and Inclusion Subgroup meeting took place last week and the next steps would be to take forward the short-term actions of the report produced by Challenge Consultancy as a result of their Listen and Learn sessions held with Barbican staff. This included ensuring there were safe forums, support for any incidents or microaggressions, increased conversations and dialogue across all staff members building trust and key training for Heads. A Task & Finish Group would also be set up shortly with terms of reference that were not oversubscriptive, but supportive and enabling ownership.

A Member stated that the right balance was needed to steer the process and ensure staff were given agency to inform policies and ensure things were done differently in future.

In response to a query asking for a timeline, Officers confirmed the Taskforce would hopefully be established in the next few weeks and the recommendations completed by the end of 2020. A new Equality and Inclusion group would be established to hold the Centre to account. It was noted that the Centre would also coordinate with the City Corporation's broader efforts and the Tackling Racism Taskforce.

A Member was keen to engage and consult in the process and was invited to join the Taskforce.

RESOLVED – That Members review the information presented.

8. **BREXIT PLANNING**

The Board received an oral update of the Managing Director concerning the Barbican Centre's preparations for a possible no-deal Brexit.

Members were informed that key risks of concern included movement of people which in the short term was being mitigated by creatives being allowed to attend the country for 90 days without a visa. However, in the long term, this could become a more significant issue and hinder the UK's creativity. Officers also noted inclusivity concerns and a worrying reported rise in racism and hostility throughout Europe.

Officers identified movement of product as the highest concern which was difficult to resolve as the rules for the new customs system were changing on a daily basis. Extra bureaucracy and measures coming in would lead to freight delays at ports and increased admin. The Centre was also focussed on protecting its global British role within the culture and arts sector and saw its continued representation within Europe a key to this. Data transfer, catering and intellectual property were other concerns.

Members were alarmed by racism and diversity concerns and agreed a holistic approach was needed to ensure a varied portfolio and artwork, artists and audiences. The Chair felt it was particularly critical to support emerging artists despite changes brought in by Brexit. Officers confirmed they were continuing to plan for the Brexit deadline based on all eventualities and burdens including the worst case no-deal scenario.

9. *PROJECTS UPDATE REPORT

The Board received a report of the Director of Operations and Buildings providing Members with an update on the Centre's maintenance and refurbishment projects that fall under the Cyclical Works Programme (CWP) and additional projects funded from other sources.

RECEIVED.

10. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

11. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

12. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100A(4) 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 1 of Schedule 12A of the Local Government Act.

Item No.

13-25

Paragraph No.

3

13. NON-PUBLIC MINUTES

a. Board Minutes

The non-public minutes and summary of the Board meeting held on 22 July 2020 were approved as a correct record.

b. **Finance & Risk Committee**

The draft non-public minutes of the Finance & Risk Committee meeting held on 7 September 2020 were received.

c. **Nominations Committee**

The non-public minutes of the Nominations Committee meeting held on 22 July 2020 were received.

14. **BARBICAN STRATEGIC PLAN AND BUSINESS PLAN UPDATE**

The Board considered a report of the Managing Director providing Members with an update on the Barbican's revised Strategic Plan and Business Plan.

15. **COVID-19 SITUATION UPDATE**

The Board considered a report of the Chief Operating and Financial Officer providing Members with an update on the current situation for the Centre as a result of the Covid-19 pandemic.

16. **BUSINESS PLANNING UPDATE**

The Board received an oral update from the Chief Operating & Financial Officer providing an update on business planning.

17. **BARBICAN CAPITAL PLAN 2021/22**

Members were advised that this report no longer needed to come to the Board and was now going through the capital bids pathway.

18. **TECHNOLOGY PROGRAMME ANNUAL UPDATE**

The Board considered a report of the Director of Innovation & Engagement providing Members with an update on the technology programme.

19. ***BUSINESS REVIEW - AUGUST 2020 (PERIOD 4 - 20/21)**

The Board considered a report of the Chief Operating & Financial Officer setting out the Business Review for the August 2020 (Period 4 – 20/21) accounts.

20. ***PROJECTS UPDATE: NON-PUBLIC APPENDIX**

The Board received the non-public Projects Update appendix to be read in conjunction with item 9.

21. ***COMMERCIAL UPDATE**

The Board received a report of the Chief Operating & Financial Officer setting out the impact of Covid-19 on the Barbican's commercial activities, the mitigating steps being taken to minimise lost income and strategies for business recovery.

22. ***PROGRAMMING RISK REGISTER**

The Board received a report of the Interim Artistic Director updating Members on the Programming Controversial Risk Register and the identified potential risks that occur as a result of specific programmed events and activities, as well as outlining the mitigation processes in place for each.

23. ***RISK UPDATE**

The Board considered a report of the Director of Operations and Buildings updating Members on the risk management system in place at the Barbican, the significant risks that have been identified and measures for mitigation of these risks.

24. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE BOARD**

There were no questions.

25. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items.

The meeting ended at 1.24pm

Chairman

Contact Officer: Leanne Murphy
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FINANCE AND RISK COMMITTEE OF THE BARBICAN CENTRE BOARD **Monday, 2 November 2020**

Minutes of the virtual meeting of the Finance and Risk Committee of the Barbican Centre Board held on Monday, 2 November 2020 at 1.45 pm

Present

Members:

Deputy Tom Sleigh (Chair)
Deputy Dr Giles Shilson (Deputy Chairman)
Randall Anderson
Russ Carr
Deputy Wendy Hyde
Jeremy Mayhew
Alasdair Nisbet

Officers:

Sir Nicholas Kenyon - Managing Director, Barbican Centre
Jonathon Poyner - Director of Operations & Buildings, Barbican Centre
Sandeep Dwesar - Chief Operating & Financial Officer, Barbican Centre
Natasha Harris - Director of Development, Barbican Centre
Leonora Thomson - Interim Artistic Director, Barbican Centre
Sean Gregory - Director of Innovation & Engagement, Barbican Centre
Niki Cornwell - Head of Finance and Business Administration, Barbican Centre
Matt Lock - Head of Audit & Risk Management, Chamberlain's Department
Leanne Murphy - Town Clerk's Department

1. APOLOGIES

Apologies were received from Emma Kane.

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

There were no declarations.

3. MINUTES

The draft public minutes of the Finance & Risk Committee meeting held on 7 September 2020 were approved as a correct record.

4. INTERNAL AUDIT UPDATE

The Committee considered a report of the Head of Audit & Risk Management providing Members with an update in respect of Internal Audit activity related to the Barbican Centre, the last written submission having been made to the January 2020 meeting of the Barbican Risk Committee.

Members were informed that the Audit Plan delivery had been completed for 2019-20 and is progressing in respect of 2020-21. As of mid-October 2020, there were no live red priority recommendations and seven live amber priority recommendations which exceeded their original target dates for

implementation. Revised target dates were supplied for these recommendations due to slippage in implementation timescales.

The Head of Audit & Risk Management confirmed that there had been good progress since the implementation of the new audit system and Officers were confident that the Centre's audit plan would be delivered. The new approach, which included the issuing of new reporting, had seen better dialogue with Senior Management and it was hoped this would help with finalising some older recommendations that were overdue past their original completion dates. Members were asked if March 2021 was an appropriate date to finalise these outstanding recommendations.

A Member was pleased to note improvements concerning bars and retail, with most recommendations largely resolved, and queried how these were being managed and followed up. Officers confirmed the audits were recently completed and would be revisited as per the targets. It was noted that follow up was generally one month after the scheduled implementation date and that timescales could be included on future reports with a follow up column providing scheduled dates.

A Member enquired if internal audit had looked at changes in process and approval of financial transactions as a result of Covid. Members were advised that this was mostly unchanged except for the ability of some committees not being able to provide oversight as normal as they were suspended at the beginning of the lockdown. Approvals still went ahead through the same system and therefore the risks had barely changed.

Another Member accepted that whilst Covid had created some different conditions, Management had committed to the internal audit contract of recommendations and there were things that had not been fulfilled as agreed which needed explanation. Director of Operations & Buildings firstly apologised that some recommendations had not been completed as agreed, but other issues including Covid had taken priority leading to a delay. It was confirmed that strategic alignment and marketing had taken place and a new online training programme was available covering this area.

A Member proposed that the outstanding visitor experience recommendations be removed from the audit list as they formed part of the new business plan. Members agreed with the approach for Management to deal with the outstanding recommendations to allow for the Committee to deal with the live risks.

For brand management, it was suggested that a Barbican background for Members and Officers be used during remote meetings.

In response to a query concerning contracting, Members were advised that the audit focussed on routine transaction review work. The Head of Audit & Risk Management hoped to introduce a Corporation-wide programme to routinely pick up compliance work and regular audit assurance including an analytics dashboard evaluating a range of controls.

RESOLVE - That Members:-

- Note the report;
- Consider the appropriateness of the delays in high priority recommendations implementation.

5. PROJECTS UPDATE REPORT

The Committee received a report of the Director of Operations and Buildings providing Members with an update on the Centre's maintenance and refurbishment projects that fall under the Cyclical Works Programme (CWP) and additional projects funded from other sources.

The Director of Operations and Buildings gave thanks to Members for their support and noted the huge amount of work being done behind the scenes to deliver the large pipeline of works which was moving forward.

RECEIVED.

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

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

8. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100A(4) 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 1 of Schedule 12A of the Local Government Act.

9. NON-PUBLIC MINUTES

The draft non-public minutes of the Finance & Risk Committee meeting held on 7 September 2020 were approved as a correct record.

10. COVID-19 SITUATION UPDATE

The Committee considered a report of the Chief Operating and Financial Officer providing Members with an update on the current situation for the Centre as a result of the Covid-19 pandemic.

11. PROJECTS UPDATE: NON-PUBLIC APPENDIX

The Committee received the non-public Projects Update appendix to be read in conjunction with item 5.

12. BUSINESS REVIEW - SEPTEMBER 2020 (PERIOD 6 - 20/21)

The Committee considered a report of the Chief Operating & Financial Officer setting out the Business Review for the September 2020 (Period 6 – 20/21) accounts.

13. CONTROVERSIAL PROGRAMMING RISK REGISTER

The Committee received a report of the Interim Artistic Director updating Members on the Programming Controversial Risk Register and the identified potential risks that occur as a result of specific programmed events and activities, as well as outlining the mitigation processes in place for each.

14. RISK UPDATE

The Committee considered a report of the Director of Operations and Buildings updating Members on the risk management system in place at the Barbican, the significant risks that have been identified and measures for mitigation of these risks.

15. REPORT OF ACTION TAKEN

The Committee noted a report of the Town Clerk updating Members on action taken by the Town Clerk under urgency or delegated authority in consultation with the Chairman and Deputy Chairman since the last meeting of the Committee in accordance with Standing Orders No. 41 (a) and (b).

16. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

17. ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT WHILST THE PUBLIC ARE EXCLUDED

There were no urgent items.

The meeting ended at 2.57 pm

Chairman

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Agenda Item 5

Barbican Centre Board Work Programme 2020/21

Standing Items

- | | |
|--|---|
| <p>Board</p> <ul style="list-style-type: none"> • Outstanding Actions • Directors' Management Report • Risk Update | <p>Finance & Risk</p> <ul style="list-style-type: none"> • Business Review (Period Accounts) • Cyclical Works Projects (CWP) & Projects Update |
|--|---|

18 November 2020	Nominations	<ul style="list-style-type: none"> • New external member proposals
	Barbican Centre Board	<ul style="list-style-type: none"> • Music and LSO Presentations • Barbican Budget 2021/22 • Business Plan • Business Model - Long Term Financial Plan • BIE Update • Post-Covid 19 Planning
20 January 2021	Barbican Centre Board	<ul style="list-style-type: none"> • Theatre • Commercial Dept Report - TBC
24 March 2021	Barbican Centre Board	<ul style="list-style-type: none"> • Cinema • Commercial Dept Report • Business Events
19 May 2021	Barbican Centre Board	<ul style="list-style-type: none"> • Creative Learning • Commercial Dept report • Retail Report
21 July 2021	Barbican Centre Board	<ul style="list-style-type: none"> • Visual Arts Presentation • Commercial Dept Report • Catering Report
22 September 2021	Barbican Centre Board	<ul style="list-style-type: none"> • Annual Review including Commercial • Equality & Inclusion Update
17 November 2021	Barbican Centre Board	<ul style="list-style-type: none"> • Music & LSO Presentations

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

	Action	Notes	Officer/body responsible	Date added & meeting	To be completed/ progressed to next stage
1	Internal Audit Update	Timescales to be included on future reports with a follow up column providing scheduled dates.	Head of Audit and Risk Management	Nov 2020 - <u>F&R for F&R</u>	To update at the Jan Finance & Risk meeting
2	Frobisher Crescent	Officers to undertake a risk review concerning the possibility of reopening Frobisher Crescent in the Barbican Estate to residents.	Director of Operations and Buildings	Nov 2020 - <u>F&R for F&R</u>	To update at the Jan Finance & Risk meeting

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Agenda Item 6

Committee(s)	Dated:
Barbican Board	18 November 2020
Subject: Management Report by the Barbican's Directors	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3,4,5,7,8,9,10,12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: Managing Director, Barbican Centre	For Decision
Report authors: Directors, Barbican Centre	

Summary

- The Management Report comprises current updates under seven sections authored by Barbican Directors.
- Updates are under the headlines of:
 - Strategy and Culture Mile
 - Programming, Marketing and Communications
 - Barbican Guildhall Creative Learning
 - Innovation and Engagement
 - Operations and Buildings
 - Business and Commercial
 - Development.
- Reported activity is marked, where relevant, against our Barbican Centre strategic priority areas. For reference, the full list of strategic priorities is attached at Appendix A.

Recommendation

Members are asked to:

Endorse Management's approach to the future activities of the Centre.

Main Report

1. REPORT: STRATEGY AND CULTURE MILE

Here we are again.

After a period of intense activity during which we were able to operate in a Covid-safe environment and mount activity for a socially distanced public (see 2 Programming), 97% of whom said they felt safe returning to the Barbican, the new government guidance came into force on Thursday 5 November and we had to close the Barbican until Wednesday 2 December. This was hard for those who had worked so tirelessly to re-start programming, but essential in terms of public safety.

There were new aspects of this closure compared with the previous lockdown. Work was able to carry on, in particular film and television production were exempted from closure, and it became clear that the live and streamed concerts from the Hall (see section 2) could continue as streamed-only events. They continued with the BBC Symphony Orchestra returning to the Hall for the first time on Friday 6 November (5* review from the Guardian) and all being well the collaboration of Shabaka Hutchings with the Britten Sinfonia will be streamed tonight, Wednesday 18 November.

The Cinema on Demand programme continued with an expanded online programme of international film. *The Ghost Light* in the Theatre will be rescheduled, and *Flight* our collaboration with the Bridge Theatre is planned from Thursday 10 December. The Gallery and Curve exhibitions are planned to reopen on Thursday 3 December, and there is a digital walk-through of the Curve exhibition by Toyin Ojih Odutola.

All this is inevitably subject to the outcome of the closure period in public health terms.

Meanwhile, the Barbican is making rapid progress on its anti-racism work with the formation of a task and finish group to advance agreed change, and has updated the staff on key actions coming out of the work so far, to be outlined under our Equality and Inclusion update.

The City Corporation has issued its outline of a new Target Operating Model, a new organizational structure for consultation and feedback. Members will have received a briefing note on the proposed changes. Though there is a great deal to resolve about the process going forward, the initial reaction is that it provides the Barbican with a major opportunity to strengthen its operation so that it can deliver more effectively.

In tandem with the Lord Lisvane review of the City Corporation's governance, the new model indicates that the Barbican would remain a

a, b, c, d, e, f

<p>key part of the City, but would be treated as an Institution (as would the Guildhall School, the independent schools, and the City Police, for example) whose freedom of operation needs to be strengthened. The briefing suggests that “enhanced levels of autonomy and empowerment are required to give Institutions the flexibility they need to flourish in their respective sectors, and to maximise the collective value they are able to realise through their individual strengths and specialisms.”</p> <p>Extensive debate will be needed around these proposals and the other aspects of the proposed changes, but they would for example enable the Barbican to become a much more integrated part of the arts sector, while continuing to be owned and supported by the City Corporation.</p>	
<p>CULTURE MILE</p> <p>The Barbican has played a leading part in the community-focused activities of Culture Mile in lockdown and after, but the current closure has meant that the new Communities-in-Residence programme within the building (see Section 3), closely feeding into our civic agenda, will have to be postponed until re-opening. However it demonstrates how quickly and successfully the local relationships around the Barbican have been developed during this period.</p> <p>There is a Culture Mile update in this Board meeting, and Board Members are strongly encouraged to spread its key messages to other Members to demonstrate how important this collaborative work is to the City as Culture Mile plans its future.</p>	<p>a, b, e, f</p>

with 2,603 views. **Live from the Barbican** has garnered 18k+ digital views, assuming each stream accounts for an average of about 2 people. The theatre's doors were scheduled to reopen on 24 Nov with **The Ghost Light**, 30-minute pieces unfolding for audiences of between one to five. This has now been postponed to early 2021. **Masculinities** closed in September having welcomed a total of 40k+ visitors of which 16k were following reopening in July. Social distancing and implemented safety measures enabled the exhibition turnaround to be delivered ensuring safety of both staff and visitors. **Michael Clark** opened on the 6th Oct with a staggered entry Media and Private View before opening to the public. The campaign has delivered beyond expectations, generating a very high level of interest with over 100 pieces of coverage secured across national and specialist press. Special hoodies were given to FoH staff, approved by Michael, which have been well received.

Following the August opening of **Toyin Ojih Odutola's** exhibition in the Curve the artist herself has now been able to visit the exhibition in person. 17k+ visitors have attended thus far and the accompanying publication and poster continue to sell very well. Cinema 1 reopened with restrictions and reduced capacity and the majority of screenings in the first two weeks sold out. Daily screenings slowly increased throughout the month and continue to grow. Cinema hosted the **London Film Festival** for the first time at the Barbican in Oct and presented a line-up of 12 screenings with all but one selling out. The postponed **Chronic Youth Festival** has now taken place as a well-received blended model, paving the way for continued programme of live events. October will also see the **Emerging Film Curators Lab** in Cinema 1 and **Barbican Family Film Club** with four bi-monthly events in the Barbican Foyer.

Leytonstone Loves Film returned in Oct for a second year with a hybrid programme. This free community-powered programme brought people together through movies and storytelling in a safe and enjoyable way while celebrating the work of local filmmakers, industry creatives and cinema enthusiasts. Sept and Oct saw Beyond Barbican launching the new **Communities in Residence** programme working with three resident partners: Accumulate, Keychanges and Age UK. Culture Mile's **Imagine Fund** is distributing micro-grants of £500 to local community members and its **Imagine Commission** is a series of 6 grassroots projects working with the core Culture Mile partners to develop new initiatives and commissions which connect them with less visible neighbouring communities. The first three commissions include Kiran Chahal, Women for Refugee Women and the Guildhall School. Level G opened two projection installations throughout October, Ling Tan's **Playing Democracy** and Nye Thompson's **INSULAE** and are scheduled to continue following reopening

a, b, c, d

Future planning

The MD updated staff in Oct on current situation including latest government guidelines following the introduction of the 3-tier system. Communications in collaboration with Marketing are also continuing scenario planning responses to possible future Covid measures and restrictions. The fortnightly staff newsletter ***The Insider***, designed to keep staff informed and engaged while working remotely, continues.

Music are working towards launching the Christmas and Spring 2021 season in due course. A range of Theatre activity is planned for new year that is responsive to current government guidelines. Visual Arts is pressing on with ***Jean Dubuffet: Brutal Beauty***; it opens in Feb 2021 will include digital iterations as part of its public programme. Planning for an alternative offer in Spring 2021 in the Curve is underway. As part of the partnership programme ***Masculinities*** has now toured to the Gropius Bau in Berlin before travelling on to FOMU, Antwerp in February; ***Lee Krasner*** has opened at the Guggenheim Bilbao; ***Toyin*** will be travelling to Aalborg, Denmark in February. Refurbishment delays in Cinema 2 & 3 means reopening in January 21 highlights such as ***Architecture on Film, Hidden Figures*** and ***Forbidden Colours***.

Level G planning for a series of projects grappling with questions raised by impacts of the pandemic and conversations around structural and systemic racism in the UK is well underway. Over the summer Culture Mile distributed over 9.5k+ ***Imagine Packs*** and will be developing a new set of resources over the winter. Nov and Dec will see ***Imagination Exchange*** hosting a series of sessions bringing together artists, freelancers and independent creatives to use spaces to work, meet and exchange ideas.

3. REPORT: BARBICAN GUILDHALL CREATIVE LEARNING	
	Strategic Priority
<p>Communities-in-Residence Jointly led by Creative Learning and Beyond Barbican/Culture Mile, our new Communities-in-Residence programme is designed to address an urgent need for space and resource within our local communities. It gives organisations and individuals the opportunity to take part in cultural activity within COVID-secure guidelines, ensuring that the Barbican remains open for all. The programme centres on a creative workshop offer in the Fountain Room, and provides desk, meeting and workshop space for our young creatives and freelance community on Level -1. To date, we've welcomed Community Collaborator, Headway East London; Accumulate, Age UK Islington and Key Changes into the Fountain Room. As the infrastructure is now in place to run this programme safely and successfully, we will be continuing this work when the Barbican reopens.</p> <p>Chronic Youth The Young Programmers 19/20 were eventually given the opportunity to present their Chronic Youth film festival, seven months after the pandemic cancelled their in-person event. Having reimaged the festival for an online space, they presented three films on the Barbican's new Cinema on Demand platform and two more live in Barbican Cinema 1. Both live screenings sold out and were accompanied by post-show Q&As with a mixed panel of filmmakers, activists and scholars.</p> <p>Subject to Change: New Horizons – Destiny Adeyemi We were delighted that the third piece in <i>our Subject to Change: New Horizons</i> series, poem and accompanying film by Destiny Adeyemi entitled 'Fat, Black and Sad', was featured in Dazed Digital alongside an interview with Adeyemi. Dazed is an underground pop culture magazine with a combined Twitter and Instagram following of 2.8 million.</p> <p>National Development Programme Applications for Barbican Box Secondary are now open in Manchester and Harlow, as part of our Esmée Fairbairn funded NDP programme. This year's Box is curated by interactive theatre-makers Coney, and for the first time will invite direct collaboration with the students themselves, who will co-curate the contents of the Box. Additionally, our first ever Primary Box in Norfolk is open for schools to apply to; we'll be refreshing Michael Rosen's successful poetry Box from 2018/19.</p> <p>Creative Learning Strategy 2020-2025 As part of the department's commitment to securing a sustainable future, we have been working on writing the business plan for our strategy, responding as we do so to a rapidly changing sector and world. We've been refining who we work with, how we work with them, and what impact we want to achieve by identifying clear objectives and KPIs, that sit under our three pillars of Education, Employability and Enrichment. We're committed to embedding Anti-Racism more explicitly within our programme and strategy, building on the work we have been doing in this area since the inception of the department 11 years ago.</p>	<p>a, b, e, f</p> <p>b, c, f</p> <p>c, f</p> <p>b, c, f</p> <p>a, b, c, d, e, f</p>

4. REPORT: INNOVATION AND ENGAGEMENT	
	Strategic Priority
<p>Archive</p> <p>An Art Fund bid has been submitted for work on conservation, digitisation and engagement with collections in anticipation of the Centre's anniversary in 2022. This is meant to replace the major Heritage Lottery Fund bid postponed by Covid.</p> <p>The popular Archive Sketches series continues on the Barbican Instagram. This is a comic strip (created by Archive Projects Officer Annie Ward) that focuses on a theme from the Barbican's history, accompanied by two scanned items of archive material.</p> <p>The most recent addition to our growing Barbican Archive collection has been 30 photographic slides of Barbican construction work contributed by an Architecture Tour participant.</p> <p>Work is also progressing with the Managing Director & authors/publishers on the book for the 2022 anniversary. All authors and designer have now been contracted and a production timeline agreed.</p>	a, b, c
<p>Digital Products</p> <p>Over the last few months the cross-functional 'Digital Products' team has been working on urgent requirements created by Covid, including the launch of <i>Cinema on Demand</i> and <i>Live from the Barbican</i>. Recent results include an improved online experience for customers to login to their account and easily access/watch their purchased live-stream content - https://tickets.barbican.org.uk/videos.</p> <p>The focus is now shifting back towards addressing some of the more transformative work from the wide-ranging product backlog list, particularly around our Event Management systems.</p>	a, b, c, d, e, f
<p>Residents</p> <p>Our regular meetings with the Barbican Residents Association resumed (via Zoom) in October. Special thanks to the Chair of the Barbican Board who stepped in to chair the meeting, and was able to gain an insight into how we use this forum to collaborate and resolve issues with Barbican Residents.</p>	a, b, c

5. REPORT: OPERATIONS AND BUILDINGS	
	Strategic Priority
<p>General Update Our buildings remain safe and compliant. It is pleasing to note that the BCP sessions that we have held throughout the process of reopening have ensured that we remain ahead of the game, having future-proofed the Covid-safe procedures that we put in place. The introduction of UK Gov’s tier system and the move to tier 2 has thus far had no significant impact on our arrangements. The reopening is continuing to go well, with ca. 60,000 people attending a wide variety of events. We continue to work with our colleagues at the City on operational and strategic matters.</p> <p>Operations Phased reopening is continuing to be delivered successfully. We have just opened an exhibition in the Pit theatre and are about to open a second exhibition to be held in the Gallery.</p> <p>We continue to attend the City’s Gold and Silver BCP groups. We continue to attend the School’s BCP Gold to ensure alignment of our Alliance.</p> <p>Projects and Engineering The engineering team continues to service both the Barbican and the Guildhall School under our Alliance to ensure that we remain safe and compliant. Having delivered many projects, including Cinema 1, front of house carpets and our new security system, the projects team is working hard to close off refurbishment for Cinemas 2 and 3 and to activate the new fire alarm in Silk Street. We have also continued to work with other teams to ensure that we deliver, for example, Covid-safe air quality. Our system in the Hall delivers, it is estimated, ten times the quality stipulated by our users.</p> <p>Ticketing Our ticketing team continues to work agile and largely remotely without issue. Again, our BCP planning has meant that we have not had to adjust post the tier announcements.</p> <p>Next Steps and Horizon We continue to work with the City Surveyor to progress the concept of ‘destination of the future’ as outlined at the Board Away Day. We continue to work with our colleagues at the City to ensure that we are in the vanguard of both the City and our sector.</p>	<p>a, b, c, d, f, S/E</p>

6. REPORT: BUSINESS AND COMMERCIAL	
	Strategic Priority
<p>Business Events: Throughout the re-mobilisation period, many of the Event Management Team, have been involved with the re-opening of the Barbican venues, working alongside Audience Experience. The sales team are working to continue to maintain exposure in the marketplace and ensure customer relationships flourish and we have seen a steady flow of enquiries in the past few months with events being worked on for as far ahead as 2024/25. Covid has resulted in many larger existing events in the diary moving from 20/21 into 2021/22. The current governments guidance allows us to run events of 30 under and we have begun to deliver safe events of that nature. Photoshoots and filming are not restricted by Covid-19 regulations and we are successfully targeting these sectors. Our hybrid package has been launched and we are in the middle of a number of client conversations re events of this nature.</p>	a, d
<p>BIE: BIE continues liaising with venues to ensure all safety procedures are in order to complete a safe install of <i>AI: More than Human</i> at the World Museum, Liverpool in January 2021, and then in Madrid in July 2021; as well as the opening of <i>Virtual Realms</i> in ArtScience Museum, Singapore in July 2021. The <i>Game On</i> redesign in Madrid earlier this year won the public vote for the first ever exhibition design category at the 2020 Dezeen Awards. Negotiations with potential partner venues are proceeding favourably with serious interest from the Netherlands, Spain and Taiwan on <i>Mangasia</i> and <i>Game On</i>; Canada and Hong Kong for <i>AI: More than Human</i>; China and Brazil for <i>Virtual Realms</i> in 2023; and China, Switzerland, Brazil and Canada for our upcoming exhibition, <i>Our Time on Earth</i>. BIE is also making preparations to expand the programme, including commissioning new artworks outside of the annual exhibition schedule and looking for consultancy opportunities.</p>	a, b, d
<p>Retail: All areas of retail continue to trade, with a short closure of the Gallery shop during the exhibition turnaround. The Foyer Shop has performed steadily since it reopened and has recently experienced strong weekend trade, helped by the Michael Clark exhibition and The Curve. The Curve's Toyin Ojih Odutola catalogue has been a great success both in store and online, with over 1000 copies sold so far. In preparation for Christmas, we are adding more products to our online offer and are preparing for a potentially busy period of online sales.</p>	a, d
<p>Catering: Our catering partner, <i>Benugo</i>, was required to completely change its operating procedures to accommodate the 'at seat' ordering only government guidelines with only a few days' notice. Since then the <i>Barbican Kitchen</i> has trebled its income and we are now working to find new ways to extend their seating capacity. The <i>Conservatory Bar</i> has been very successful the new 'at seat' pre-ordering service in the Hall, is proving very popular with all audiences. Discussion is under way with <i>Searcys</i> on the viability of opening <i>Osteria</i> in a limited way in November, for lunch during the week and on performance evenings to give our audience another catering option.</p>	a, d

7. REPORT: DEVELOPMENT	Strategic Priority
<p>The fundraising landscape across the arts continues to face uncertainty as a result of the pandemic. The Barbican is no exception: however, we are working hard to adapt our plans and pipelines to respond to the changing landscape.</p> <p>Trusts & Grants funding for 2020/21 continues to be impacted and is likely to carry over into 21/22 as the number of opportunities for available funding is reduced. Following the cancellation of certain 20/21 programming, some grants are to be returned to funders. However, we continue researching potential funding avenues that are open to applications, with several four, five and six figure grant proposals pending. We are delighted that The Terra Foundation for American Art have awarded the full six-figure grant requested for a future Barbican Art Gallery exhibition, supporting Barbican’s costs and the fees of up to two tour partners. The exhibition ranked first amongst the Foundation’s readers, a panel of anonymous, esteemed academics and experts in the field.</p> <p>The Corporate team have been investigating and responding to several leads and prospects for future associations with Barbican’s arts and learning programme. The team were successful in securing a sponsorship with fashion brand Bottega Veneta for the current Art Gallery exhibition <i>Michael Clark, Cosmic Dancer</i>. For the area of Corporate Membership, we are proud to have retained the loyalty and support of many of our current members, with the team focusing on virtual opportunities. However, this does raise renewed uncertainty as the winter 20-21 renewal cycle approaches. A consistent focus on virtual engagement across the art forms will be key to cement loyalty and even establish long term greater corporate partnership interest in our digital and live programme.</p> <p>With Individual Giving, many Patrons have renewed, and direct debit support remains at pre-Covid levels. Following the recent concert season of <i>Live from the Barbican</i>, we have secured support totaling £58k and received excellent feedback from Patrons attending the in person and streamed concerts. In terms of supporter engagement, the virtual events programme continues to be developed, with a new set of events for <i>Barbican Insights</i> on the horizon. We continue to increase opportunities for our audience to donate digitally. We launched a text giving service to coincide with the kick-off of the autumn concert series in October, as well as in other areas such as our podcast series and flagship videos on YouTube. We’ve also seen an increase in donations associated with ticket sale through the website since the Centre has restarted the programme and donations received through the points at the Curve and Conservatory.</p> <p>Targets for 20/21 have been revised in line with the Barbican’s Covid-19 scenario planning and we are now working on new a 5-year plan.</p>	<p>a, b, d</p>

Appendix A: Strategic Plan

We believe in: Creating space for people and ideas to connect

We're committed to: Arts Without Boundaries

We are:

- **Brave** - breaking new ground, doing the things others wouldn't
- **Open** - striving to be inclusive, by, with and for all
- **Connected** – reflecting today's world, building meaningful partnerships
- **Sustainable** – Being smart about doing business, embracing the future ways of working

Our Strategic Priorities are:

- a. **Destination** – deliver an exceptional experience
- b. **Audiences** – build lasting relationships
- c. **Artists** – enable artists to realise their vision
- d. **Income** – create sustainable growth
- e. **Culture Mile** – be a lead partner
- f. **Learning** – develop creative skills for life

We support the aims of the City Corporation's Corporate Plan to:

- 1) contribute to a flourishing society
- 2) support a thriving economy
- 3) shape outstanding environments

Staff & Efficiency (S/E)

Underpinning these we also have a commitment to operate efficiently, and to employ and develop skilled staff within the appropriate management structure

Agenda Item 8

<p>Committee(s): Finance – For Decision Court of Common Council – For Decision</p> <p>Barbican Centre Board – For Information Community & Children’s Service – For Information Culture Heritage & Libraries – For Information Epping Forest & Commons – For Information Establishment Committee – For Information Hampstead Heath, Highgate Wood & Queens - For Information Licensing – For Information Open Spaces – For Information Planning & Transportation - For Information Port Health – For Information</p>	<p>Date(s): 13 October 2020 3 December 2020</p> <p>18 November 2020 6 November 2020 23 November 2020 16 November 2020 29th October 2020</p> <p>25 November 2020 14 October 2020 2 December 2020 27th October 2020 24th November 2020</p>
<p>Subject: Resetting of departmental Budgets 2020/21</p>	<p>Public</p>
<p>Report of: Chamberlain</p>	<p>For Decision/Information</p>
<p>Report author: Julie Smith</p>	

Summary

At Resource Allocation Sub Committee on 18th September 2020 Members considered and approved recommendations for budget adjustments of £15.6m , following a request at their July Committee for an in-year re-budgeting exercise to assist in repairing the damage to the City’s budgets arising from the COVID-19 pandemic. This was seen as a vital step in ensuring that we put our finances on a sustainable footing for the Medium Term.

Members of Finance Committee are asked to recommend to the Court of Common Council the budget adjustments outlined in this report totalling £15.2m to some departmental local risk budgets, (including a reduction of £400K to the original proposal to Resource Allocation Sub Committee for Open Spaces), to address the deficit in lost income due to the COVID-19 pandemic, and set realistic budgets that Chief officers can be held to this financial year (2020/21).

Members of the relevant Service Committees are asked to note the recommended budget adjustments which, subject to the agreement of the Court of Common Council in December, will be reflected in their detailed Revised Estimates 2020/21 and proposed Budget Estimates 2021/22 reports for their approval.

The mitigating steps leading up to the recommended budget adjustments include a thorough year end budget forecast exercise as at the end of July, informed by bi lateral meetings between the Chamberlain and Chief Officers, reaching a common understanding of the need for tight budgeting. This tight budgeting has resulted in

expenditure savings in local risk budgets of £21.3m, partially offsetting an income deficit of (£39.2m). This process was followed by Member lead bilaterals in September with those service areas most impacted by COVID.

The impact of COVID-19 stands at around (£28.4m) across all risks and funds of which (£17.9m) relates to Chief Officers local risk budgets. We are hopeful of recovering an estimated £13.6m from the Government's compensation for lost fees and charges of 75p in the pound net of associated expenditure reductions which will be used to offset the appropriate budget adjustments. The remaining City Fund COVID deficit would then need to be covered by scaling back the planned addition to the major projects reserve.

Further steps proposed are to maintain recruitment controls, including the use of Consultants, aligned to the roll out of the Target Operating Model (TOM) and continuing to press for further savings where possible to preserve the reserves position. Any residual COVID deficit will then be covered, in the case of City Fund, through an offsetting reduction in the Reserve.

Recommendation(s)

Members of Finance Committee are asked to:

- Note the steps already taken by officers to reduce the financial impact of the COVID-19 pandemic.
- Recommend to the Court of Common the adjusted departmental budgets totalling £15.2m outlined in this report, including a reduction of £400K to the original proposal to Resource Allocation Sub Committee for Open Spaces explained at paragraph 9.
- .
- Approve proposals to continue working with departments to identify further savings where possible.
- Approve continuation of recruitment controls aligned to the TOM which may give further savings in the year.
- As Service Committee, note the increase in budget of £1,084K for the Remembrancer

Members of the following Service Committees are asked to note the recommended budget adjustments as outlined below: -

- Barbican Centre Board: Increase of £12,452K
- Community & Children's services: Increase of £184K for Director of Community & Children's Services
- Culture Heritage & Libraries Committee – Increase of £392K for Open Spaces (Monument).

- Establishment Committee: Increase of £420K for Comptroller & City Solicitor
- Licensing Committee: £156K for Markets & Consumer Protection
- Open Spaces/Epping Forest & Commons/Hampstead Heath, Highgate Wood & Queens Committees: Increase of £66K.
- Planning and Transportation: Increase of £310K for Director of Built Environment
- Port Health:
 - Increase of £301K for Markets & Consumer Protection
 - Reduction of £148K in respect of Open Spaces (City of London Cemetery) due to increase in forecast income

Main Report

Background

1. On 18th September 2020 Members of Resource Allocation Sub Committee considered and approved recommendations for budget adjustments totalling £15.6m following their instruction to officers at their meeting in July, to carry out a re-budgeting exercise in the Autumn to assist in repairing the unprecedented damage to the City's budgets arising from the COVID-19 pandemic. This was seen as a vital step in ensuring that we put our finances on a sustainable footing for the Medium Term.
2. The following mitigating actions have been undertaken: -
 - Restriction of carry forwards from 2019/20 to protect the reserves position;
 - Recruitment controls; requiring a business case to recruit agreed by the Town Clerk
 - A review of high value contracts with City Procurement to see where any possible savings could be achieved and on-going monitoring to ensure value for money
 - An in-depth departmental re-forecasting exercise undertaken as at the end of July, crystallising expenditure reductions to limit COVID impact;

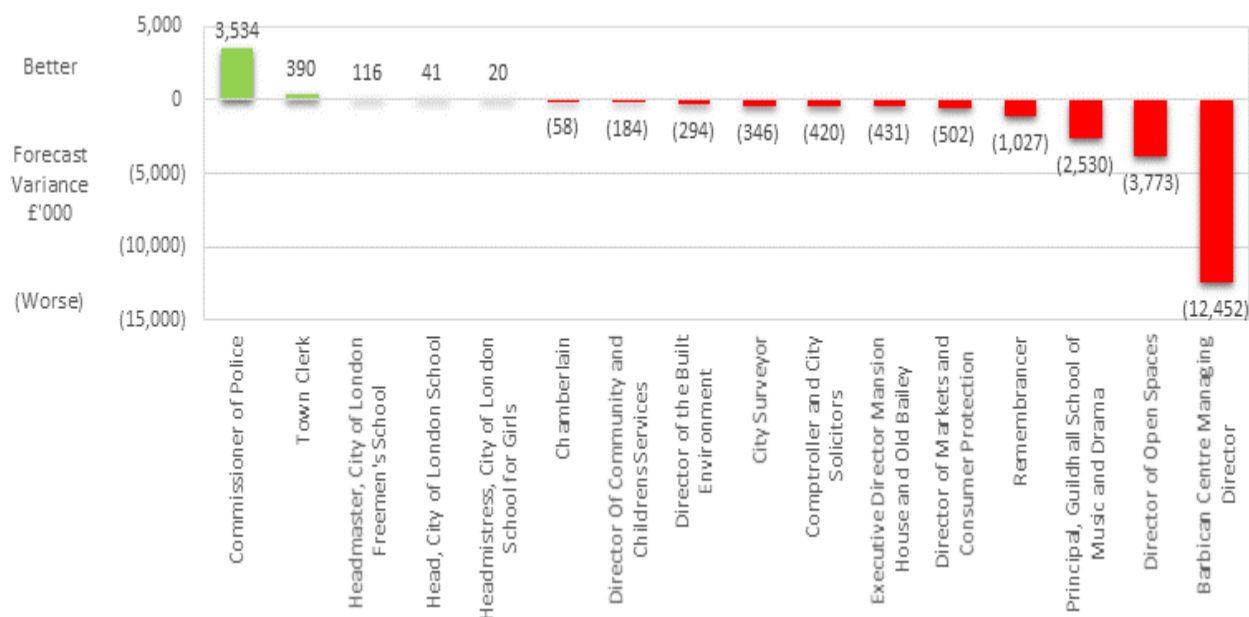
- Collaborative bilateral meetings between the Chamberlain and Chief Officers took place resulting in a common understanding of the need for continued tight budgeting;
- Member bilaterals (Chair/Deputy Chairman of RA Sub) with some Service Committee Chairmen and Chief Officers.
- A review of the Cyclical Works Programme (CWP) with the City Surveyor as unlikely to complete a significant amount of work in year due to suspension during the lockdown period; and
- Seeking government funding where possible through compensation on lost fees and charges of 75p in the pound on City Fund income.

Current Position

3. Despite the mitigating actions being taken, we face, as a result of COVID-19, a major challenge to the health of our finances. The forecast deficit at the end of July currently stood at (£28.4m) across the funds before government compensation for income lost from fees and charges. The breakdown by fund across both central and local risk is (£16.8m) City Fund, (£7.0m) City's Cash and (£4.6m) Bridge House Estates.
4. For Chief officers' cash limited budgets, a year-end forecast over spend of (£17.9m) is forecast against a budget of (£247.9m) (7.2%).
5. The table below shows the high-level year end forecast position for Chief Officer's local risk budgets by fund:

£'000	Original budget 2020/21	Latest budget 202/21 (including carry forwards)	Forecast as at end of July	Variance
City Fund (CF) (excl. Police)	(72,503)	(74,668)	(87,919)	(13,251)
City's Cash (CC)	(43,679)	(43,967)	(48,206)	(4,239)
Bridge House Estates (BHE)	(6,186)	(6,186)	(8,741)	(2,555)
Guildhall Administration (GA)	(37,938)	(38,206)	(39,611)	(1,405)
Total (excluding Police)	(160,306)	(163,027)	(184,477)	(21,450)
Police	(84,884)	(84,884)	(81,350)	3,534
Grand Total	(245,190)	(247,911)	(265,827)	(17,916)

6. The forecast position comprises a reduction in income of (£39.2m) on an income budget of £294m, partially offset by an underspend of £21.3m on budgeted expenditure of (£542.1m); demonstrating the action taken by Chief Officers to reduce expenditure to limit the impact as far as possible of reductions in income.
7. Chief Officers' variances against net local risk budgets are shown in the chart below. The detailed breakdown by Chief Officer by Fund is shown at Appendix 1.



8. The most heavily impacted is the Barbican Centre; forecasting an overall overspend of (£12.5m) at year end. This comprises a shortfall of (£22.0m) on income due to the centre being closed, and limited activity being forecast for the remainder of the financial year due to social distancing measures. Expenditure has however, been reduced by £9.6m due to activity reductions and a hold on all non-essential expenditure. **It is proposed to reset the budget envelope from (£17,389) to (£29,841)**

9. Open Spaces is forecasting an overspend of (£3.7m) broken down as follows: -
 - (£3.1m) BHE due to income shortfalls relation to Tower Bridge. It is proposed that the Tower Bridge shortfall is covered by a reduction in transfer to BHE reserves at year end.
 - (£858k) City's Cash forecast income deficit on City's Cash. Following a Senior Member lead bilateral meeting with the Director of Open Spaces and the Chamberlain, and subsequent discussion at Resource Allocation Sub Committee on 18th September it, was concluded that there was scope to reduce expenditure and increase income further at Epping Forest. **it is therefore proposed to reduce the Open Spaces budget adjustment by £400K and reset the latest approved budget from (£11,852) to (£12,310) to cover the Monument income shortfall of £392K; the balance of £66K for income shortfalls at other Open Spaces** It is recognised that there is pressure on Epping Forest budgets which we will

continue to focus on, with an understanding this might lead to a year end overspend.

- £148k City Fund forecast under spend of £148K is due to additional income from the City of London Cemetery activity. **It is proposed to rest this budget from £564k to £712k to be utilised towards the additional costs to City Fund.**
10. GSMD is forecast to be (£2.5m) worse than budget reflecting lost income from short courses, letting student accommodation and space to external providers during summer term, removing bar and catering income and reduced fees from under-18 provision. Further losses may arise depending on the number of students returning for the new academic year. In addition, GSMD will incur additional costs for space, equipment and staffing to support socially distanced onsite as well as online teaching. The City is a joint funder with the Office for Students and there is an agreement not to reduce the City's contribution to continue to secure Higher Education Statistics Agency (HESA) Funding. It is anticipated that GSMD continue to call on their reserves; the same approach as for the City's Independent Schools (see paragraph 19).
 11. Remembrancer has a forecast deficit due to loss in income of (£1.0m) due to no private event hire taking place at Guildhall since the start of the financial year. Three of the four most lucrative months in the year - May, June, September and November - will achieve nil or very nearly nil income. **It is proposed to reset the budget from £274k to (£810k) to cover the loss of income.**
 12. The Director of Markets and Consumer Protection is forecasting an overspend of (£502k), mainly on City Fund activity (£457K) due to increased costs at the Ports in preparation for Brexit and loss of income at the Animal Reception Centre. The balance on City's Cash relates to lost income from car parking charges at Billingsgate and Smithfield Markets. **It is proposed to reset City Fund budget from (£2,240k) to (£2,697k) to cover the income deficit.**
 13. Mansion House and Old Bailey forecast overspend of (£431K) includes recovery of an overspend of (£248K) from 2019/20. At the bilateral meeting with the Executive Director further expenditure savings were discussed, **therefore no budget reset is proposed at this time.**
 14. The Comptroller and City Solicitor is forecasting an external income deficit of (£420K) due to a lack of property deals. **It is proposed to reset the budget from (£845k) to (£1,265k) to cover the income shortfall.**
 15. The City Surveyor is forecasting a net overspend across the funds of (£346K), this includes a carry forward of (£320K) from 2019/20. **It is not proposed to reset the budget for 2020/21 at this time.**
 16. The Director of the Built Environment (DBE) forecast an overspend of (£310K), mainly relates to a forecast income shortfall of (£2.5m), most significantly within off-street parking, traffic management, public conveniences, drains & sewers and building control services. However, expenditure reductions of some £2.3m through

reduction in highways repairs and maintenance, early removal of Automated public conveniences and contract savings have reduced the impact considerably. **It is proposed to reset the budget from (£20,243K) to (£20,553K) to cover the net deficit.**

17. The Director of Community and Children's services is forecasting an overspend of (£184K), the largest pressure is on rough sleepers and homelessness budget due to COVID-19, at an estimated cost of (£1.4m) until 31st March 2021. The majority of the extra costs are being absorbed by a current underspend on adults/older people social care. Income levels are estimated to be around 30% once services reopen. **It is proposed to reset the Director's budget from (£12,791K) to (£12,975K) to address the shortfall.**
18. The Chamberlain is forecasting a net overspend across the funds of (£58K). This is due to various additional essential unbudgeted expenditure, including additional staff resource for essential financial modelling work. There is also income loss in Freedom ceremonies due to the COVID 19 pandemic. **It is not proposed to reset the Chamberlain's budget at this time.**
19. The Independent Schools are managing within their reserves as shown by their breakeven position. No budget resets are therefore proposed.
20. The Town Clerks overall forecast position is a net underspend of £350K. However, this includes additional P&R income of £990k expected in relation to COVID related grants to reimburse expenditure for works undertaken by the Strategic COVID Group, which is offset by income shortfalls in Cultural Heritage. **It is not proposed, therefore, to reset the Town Clerk's budgets.**
21. The Commissioner of Police is currently forecasting an underspend of £3.5m. It is proposed to continue to monitor the Police position, recognising that any underspend will be directed to repayment of the Action Fraud loan to the City Corporation.

Proposals

22. It is proposed that Finance Committee Members recommend to the Court of Council that local risk budgets are reset for the following departments as summarised in the table below: -

£'000

Department	From	To	(Increase) /Reduction	Fund
Barbican Centre	(17,389)	(29,841)	(12,452)	CF
Open Spaces	(11,852)	(12,310)	(458)	CC
Open Spaces	564	712	148	CF
Remembrancer	274	(810)	(1,084)	GA
Markets & Consumer Protection	(2,240)	(2,697)	(457)	CF
Comptroller & City Solicitor	(845)	(1,265)	(420)	GA
DBE	(20,243)	(20,553)	(310)	CF
Community & Children's services	(12,791)	(12,975)	(184)	CF
Total	(64,522)	(79,739)	(15,217)	

23. Where Chief Officers local risk budgets are not recommended for adjustment, but significant efforts have been made to mitigate the position/deliver savings, it is proposed discussions take place at year end regarding handling of any overspend positions.
24. Our current estimates indicate support from the Government for lost fees and charges on City Fund income could be in the region of £13.6m. The first claim from April until end of July was submitted at the end of September. The income recovered will be used to offset the appropriate budget adjustments proposed.
25. It is also proposed to continue with the current recruitment constraint, including the use of Consultants, aligned to the rollout of the Target Operating Model to secure further savings by the end of the financial year.
26. Further savings will also continue to be explored with departments to reduce the overall impact on the reserves position.
27. The budget in the Medium-Term Financial Plan (MTFP) for the CWP in 2020/21 is £22.8m. The latest forecast estimate for works anticipated to be completed is £10.7m. A report is being prepared by the City Surveyor outlining proposals for a revised annual programme from 2021/22.

Financial Implications

28. The overall 2020/21 City Fund starting position would have added £27.3m to reserves to contribute to the future financing of the major projects.
29. The proposed COVID adjustments to Chief Officers local risk budgets total £15.2m (£14m City Fund and £1.2m City's Cash). The £14m City Fund adjustment can be

met by scaling back the addition to the major projects reserve to £13.3m. The City Cash adjustment of £1.2m can be funded but will impact the net asset position.

Conclusion

30. Despite the mitigating actions being taken, we face, as a result of COVID-19, a major challenge to the health of our finances. Proposals to reset budgets for Chief Officers most impacted by loss of local risk income will provide realistic budgets for them to be held to.

Appendices

- Appendix 1 – Chief Officers local risk end of year forecast at end of July 2020 by fund

Background Papers

- Briefing 2 – Financial impact of COVID 19 – Finance Committee 19 May 2020
- Resetting of Budgets 2020/21 – Resource Allocation Sub Committee 18 September 2020.

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Chief Officer Cash Limited Budgets by Fund					
Original Budget £'000	Chief Officer	Full Year Forecast as at 31 July 2020			
		Latest Budget £'000	Forecast £'000	Variance Better / (Worse) £'000	%
	City Fund				
(1,755)	Chamberlain	(1,755)	(1,420)	335	19%
(5,117)	City Surveyor	(5,240)	(5,109)	131	2%
(11,168)	Director of Community and Children's Services	(12,791)	(12,975)	(184)	(1%)
(2,199)	Director of Markets and Consumer Protection	(2,240)	(2,697)	(457)	(20%)
564	Director of Open Spaces	564	712	148	26%
(20,196)	Director of the Built Environment	(20,243)	(20,553)	(310)	(2%)
(402)	Executive Director Mansion House and Old Bailey	(242)	(531)	(289)	(120%)
(17,165)	Managing Director, Barbican Centre	(17,389)	(29,841)	(12,452)	(72%)
(15,065)	Town Clerk	(15,332)	(15,504)	(172)	(1%)
(72,503)	Total City Fund (excluding Police)	(74,668)	(87,919)	(13,251)	(18%)
	City's Cash				0%
(99)	Chamberlain	(99)	(174)	(75)	(76%)
(16,228)	City Surveyor	(16,143)	(16,972)	(829)	(5%)
(1,052)	Director of Community and Children's Services	(1,122)	(1,122)	0	0%
(1,365)	Director of Markets and Consumer Protection	(1,668)	(1,713)	(45)	(3%)
(11,822)	Director of Open Spaces	(11,852)	(12,710)	(858)	(7%)
(3,334)	Executive Director Mansion House and Old Bailey	(3,246)	(3,388)	(142)	(4%)
(1,217)	Head, City of London Boy's School	(1,217)	(1,176)	41	3%
118	Headmaster, City of London Freeman's School	118	234	116	98%
(275)	Headmistress, City of London School for Girls	(275)	(255)	20	7%
(6,799)	Principal, Guildhall School of Music and Drama	(6,799)	(9,329)	(2,530)	(37%)
(1,391)	Remembrancer	(1,391)	(1,334)	57	4%
(215)	Town Clerk	(273)	(268)	5	2%
(43,679)	Total City's Cash	(43,967)	(48,206)	(4,239)	(10%)
	Bridge House Estates				0%
(45)	Chamberlain	(45)	(45)	0	0%
(2,703)	City Surveyor	(2,703)	(2,690)	13	0%
(243)	Director of Open Spaces	(243)	(3,306)	(3,063)	(1,260%)
(275)	Director of the Built Environment	(275)	(259)	16	6%
(2,920)	Town Clerk	(2,920)	(2,441)	479	16%
(6,186)	Total Bridge House Estates	(6,186)	(8,741)	(2,555)	(41%)
	Guildhall Administration				0%
(22,165)	Chamberlain	(22,358)	(22,676)	(318)	(1%)
(8,666)	City Surveyor	(8,686)	(8,347)	339	4%
(845)	Comptroller and City Solicitor	(845)	(1,265)	(420)	(50%)
274	Remembrancer	274	(810)	(1,084)	(395%)
(6,536)	Town Clerk	(6,591)	(6,513)	78	1%
(37,938)	Total Guildhall Administration	(38,206)	(39,611)	(1,405)	(4%)
(160,306)	Grand Total (excluding Police)	(163,027)	(184,477)	(21,450)	(13%)
(84,884)	Commissioner of Police (City Fund)	(84,884)	(81,350)	3,534	4%
(245,190)	Grand Total	(247,911)	(265,827)	(17,916)	(7%)

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Committee(s)	Dated:
Finance & Risk Committee of the Barbican Centre Board	02/11/2020
Subject: Internal Audit Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Audit & Risk Management	For Information
Report author: Cirila Peall, Audit Manager	

Summary

This report has been prepared to provide Members with an update in respect of Internal Audit activity related to the Barbican Centre, the last written submission having been made to the January 2020 meeting of the Barbican Risk Committee. Audit Plan delivery has been completed for 2019-20 and is progressing in respect of 2020-21. Five audit reports have been finalised since the January 2020 update, one draft report has been issued and two audits are at fieldwork stage.

There has been recent follow-up activity in respect of three audits as part of the corporate follow-up arrangements. As at mid-October 2020 there are no live red priority recommendations and seven live amber priority recommendations which have exceeded their original target dates for implementation. Revised target dates have been supplied for these recommendations due to slippage in implementation timescales.

Recommendation(s)

Members are asked to:

- Note the report
- Consider the appropriateness of the delays in high priority recommendations implementation

Main Report

Background

1. The Barbican Finance & Risk Committee receives updates in respect of delivery of Internal Audit work and the implementation of Audit recommendations.

2. A summary of outcomes is reported for finalised audit work i.e. where full management responses have been received and agreed, and there is a reminder of the scope of audit for those audits where draft reports have been issued and management responses are awaited.
3. In terms of high priority recommendations, this report provides Members with the latest implementation position, based upon information received from the Barbican Centre and audit follow-up undertaken.

Current Position

Delivery of Internal Audit Work

4. Five Barbican audits have been finalised since the last formal update report (January 2020) and summary outcomes are reported below. Finalisation of these audits concludes delivery of the 2019-20 Plan, as outlined in **Appendix 1**.

Business Event Programming: Decision-Making, Evaluation & Contracting

5. The audit provided **substantial assurance** that mechanisms were in place to safeguard the Barbican Centre's interests in terms of business event programming, decision-making and evaluation, to ensure alignment with strategic aims. No audit recommendations were made.

Artistic & Creative Learning Event Programming: Decision-Making & Evaluation

6. The audit provided **substantial assurance** over the decision-making processes related to event programming, including: risk assessment, approval arrangements and demonstration of alignment with the strategic vision and associated goals, as well as the monitoring and reporting of event activity to senior management to enable evaluation of outcomes, including financial performance, against the Barbican's strategic goals. No audit recommendations were made.

Artistic & Creative Learning Events: Contracting

7. The audit provided **moderate assurance** in respect of contractual arrangements for every event type setting out the responsibilities of each party, financial terms and cancellation procedures, as well as the mechanisms for ensuring that contractual requirements are met.

Recommendations	Red	Amber	Green	Total
Number Made:	0	1	7	8

8. All eight recommendations were agreed by Barbican management and will be subject to Internal Audit follow-up in November 2020.

Data Security

9. The audit provided **moderate assurance** in respect of the arrangements for mitigating the risk of cyber security breach and the provisions for managing both current and emerging issues.

Recommendations	Red	Amber	Green	Total
Number Made:	0	2	4	6

10. All six recommendations were agreed by Barbican Management. A follow-up review has already been completed and evidence has been supplied to Internal Audit to demonstrate implementation of the two high priority (amber) recommendations.

Development: Corporate Memberships & Sponsorship

11. The audit provided **moderate assurance** in respect of controls over the income generated in respect of Corporate Sponsorship and Corporate Memberships, consideration of value for money in the administration of these fundraising schemes, and mechanisms for ensuring that such fundraising activities are in line with the Barbican's Strategic Plan and the Corporate Plan.

Recommendations	Red	Amber	Green	Total
Number Made:	0	3	1	4

12. All four recommendations were agreed by Barbican Management and will be subject to Internal Audit follow-up in November 2020.

Work in Progress

13. The status of 2020-21 Plan delivery is outlined in **Appendix 2**. The profile of delivery across the year has been impacted by COVID-19 and internal factors impacting available Internal Audit resources. Progress to date includes the issue of a draft report in respect of an audit of Bars and a management response is awaited. The scope of audit was to review the adequacy of arrangements in place related to income collection, stock control and overall profitability, including controls to mitigate the risk of fraud.
14. Fieldwork is underway in respect of two audits: Barbican Centre Security and a combined audit of Guildhall School of Music and Drama and Barbican Facilities Management; these audits were initiated in March 2020 and put on hold at the request of Barbican management to enable the Centre to focus on its COVID response.
15. Internal Audit will continue to liaise with Barbican management to plan the remaining assignments and scope audit coverage to enable the provision of an annual opinion on the adequacy of the City of London Corporation's system of internal control.

Live High Priority Recommendations

16. In addition to the Data Security audit referred to above, follow-up exercises have recently been completed in respect of three audits and the outcomes are set out below:

Audit:	Retail & Bars				
Final Report Date:	31/05/2018	Issues Raised:	11	Original Assurance Rating:	Limited
Follow-up Review	01/09/2020	Issues Resolved:	11	Revised Assurance Rating:	Substantial

17. Four amber priority recommendations were outstanding at the time of follow-up; in response to the follow-up outcome report, Barbican management have supplied evidence of implementation in each case and the audit recommendations have been closed.

Audit:	Strategic Planning				
Final Report Date:	24/05/2019	Issues Raised:	2	Original Assurance Rating:	Moderate
Follow-up Review	01/09/2020	Issues Resolved:	1	Revised Assurance Rating:	Moderate

18. One amber priority recommendation was partially implemented at the time of follow-up and a revised target implementation date of 30/11/2020 has been supplied by Barbican management. Internal Audit will undertake a further follow-up review in early December 2020.

Audit:	Fraud Risk Management				
Final Report Date:	25/06/2019	Issues Raised:	3	Original Assurance Rating:	Moderate
Follow-up Review	01/09/2020	Issues Resolved:	3	Revised Assurance Rating:	Substantial

19. Two amber priority recommendations were outstanding at the time of follow-up; in response to the follow-up outcome report, Barbican management have supplied evidence of implementation in each case and the audit recommendations have been closed.

20. As at mid-October 2020, there are no live red priority recommendations and seven live amber priority recommendations which have exceeded their original target implementation dates - these are summarised at **Appendix 3**. Revised target implementation dates have been supplied for these recommendations and some have been subject to multiple revisions; four of the recommendations were originally due in late 2018. Planned Internal Audit follow-up activities will be undertaken in line with the latest revised target implementation dates.

21. Internal Audit regularly reiterates the importance of setting realistic timescales for demonstrating recommendations implementation. Management continue to be reminded that any implementation actions which are extended beyond the revised target date may will likely be subject to challenge by the Audit and Risk Management Committee, whose expectation is that there should only be one extension to implementation timescales unless the circumstances are exceptional.

Corporate & Strategic Implications

22. The overall Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks. The Barbican, as an institutional department of the Corporation, has a sub-section of the Plan and a programme of Internal Audit work that includes audit assignments and regular follow-up activity in respect of recommendations implementation.

Conclusion

23. Members are asked to note the status of delivery of the 2019-20 and 2020-21 Audit Plans and the overdue high priority recommendations position as at mid-October 2020. Management have been reminded of the need to propose realistic timescales for the implementation of audit recommendations and going forwards, follow-up activity will be undertaken promptly after target dates have been reached. The profile of Plan delivery has been impacted by Covid 19 but work is progressing to ensure a sufficient level of audit coverage to inform the annual Internal Audit opinion.

Appendices

- Appendix 1: 2019-20 Barbican Audit Plan Delivery
- Appendix 2: 2020-21 Barbican Audit Plan Progress
- Appendix 3: Overdue High Priority Recommendations

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Internal Audit Work 2019-20

Project	Current Stage	Assurance Rating	Recommendations			
			Total Red	Total Amber	Total Green	Total
<u>Financial Monitoring</u> An examination of the arrangements in operation to seek opportunities to maximise income and manage the financial performance of the Centre.	Complete	Substantial	0	0	2	2
<u>IT Projects</u> An examination of the framework for delivery of IT Projects to support the achievement of the Barbican's strategic objectives.	Complete	Moderate	0	2	3	5
<u>Artistic & Creative Learning Events: Contracting</u> An examination of the arrangements for management of artistic event contracts, including cancellation arrangements, to ensure that contractual requirements are met.	Complete	Moderate	0	1	7	8
<u>Artistic & Creative Learning Events: Decision-Making & Evaluation</u> An examination of the decision-making processes related to event programming, including risk assessment, approval arrangements and demonstration of alignment with the strategic vision and associated goals, as well as the monitoring and reporting of event activity to senior management to enable evaluation of outcomes, including financial performance, against the Barbican's strategic goals.	Complete	Substantial	0	0	0	0

Project	Current Stage	Assurance Rating	Recommendations			
			Total Red	Total Amber	Total Green	Total
<u>Commercial Events: Decision-Making, Contracting & Evaluation</u> As above in respect of the two Artistic Events audits.	Complete	Substantial	0	0	0	0
<u>Corporate Memberships & Sponsorship</u> An examination of the control framework in respect of: the income generated in respect of Corporate Sponsorship and Corporate Memberships, consideration of value for money in the administration of these fundraising schemes, and controls for ensuring that activities are in line with the Barbican's Strategic Plan and the Corporate Plan.	Complete	Moderate	0	3	1	4
<u>Data Security</u> An examination of arrangements in operation for mitigating the risk of cyber security breach to obtain assurance that arrangements are in place to manage both current and emerging issues.	Complete	Moderate	0	2	4	6
<u>Facilities Management & Maintenance</u> An examination of the Facilities Management arrangements, including structures, contracts and policies, and the maintenance arrangements to ensure that we provide suitable facilities that are safe, compliant and well-managed.	Deferred to 2020-21	-	-	-	-	-
<u>Security</u> An examination of the arrangements in operation for management of physical security of the Barbican Centre.	Deferred to 2020-21	-	-	-	-	-
		TOTAL	0	8	17	25

Internal Audit Work 2020-21

Project	Current Stage	Assurance Rating	Recommendations			
			Total Red	Total Amber	Total Green	Total
<u>Bars</u> A review of the adequacy of arrangements in place in relation to income collection, stock control and overall profitability, including controls to mitigate the risk of fraud.	Draft Report	-	-	-	-	-
<u>Facilities Management & Maintenance</u> Barbican and Guildhall School: an examination of the Facilities Management arrangements, including structures, contracts and policies, and the maintenance arrangements to ensure that we provide suitable facilities that are safe, compliant and well-managed.	Fieldwork	-	-	-	-	-
<u>Security</u> An examination of the arrangements in operation for management of physical security of the Barbican Centre.	Fieldwork	-	-	-	-	-
<u>Ticketing System</u> An examination of the controls within the new ticketing system.	Not Initiated	-	-	-	-	-
<u>Health & Safety</u> Part of a proposed rolling programme of assurance work, liaising with Corporate Health & Safety to ensure alignment and maximising the coverage across both functions.	Not Initiated	-	-	-	-	-
		TOTAL	-	-	-	-

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Schedule of Barbican Centre Overdue High Priority Recommendations as at mid-October 2020

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
1. <u>Visitor Experience (MK 2702)</u> : Common understanding of 'visitor experience'.	Amber	Overdue	31/08/18	31/03/2021	<u>Internal Audit Comment</u> : Revised target date amended from 31/07/20.
2. <u>Visitor Experience (MK 2704)</u> : Improved 'Line of sight' between strategic aims and operational activities to embed 'visitor experience' within the organisational culture.	Amber	Overdue	31/01/19	31/03/2021	<u>Barbican Management Update</u> : These recommendations are linked to the overall Business Plan, update of which has been delayed due to a focus on the long-term financial plan. The Business Plan is going to the November meeting of the Board.
3. <u>Visitor Experience (MK 2705)</u> : Business Plan content update to reflect SMART objectives supporting delivery of strategic goals.	Amber	Overdue	30/11/18	31/03/2021	The team has not been in a position to focus on this in the last 8 months as they have been instrumental in ensuring that the Barbican was COVID safe and ready to open.
4. <u>Visitor Experience (MK2706)</u> : Business Plan progress monitoring to obtain assurance that all the projects / activities relating to the Visitor Experience Strategic Goal are being delivered.	Amber	Overdue	30/11/18	31/03/2021	Revised target timescale of 31/03/21 supplied.
5. <u>Visitor Experience (MK2708)</u> : Data measurement, analysis and dissemination to interested parties to facilitate monitoring of delivery against the Strategic Goal.	Amber	Overdue	31/05/19	31/03/2021	

Recommendation Area	Priority	Status	Original Target Date	Revised Target Date	Comment
6. <u>Strategic Planning</u> (MK 2968): Development of SMART KPIs	Amber	Overdue	30/09/19	30/11/20	<p><u>Internal Audit Comment:</u> Revised target date amended from 31/03/20.</p> <p><u>Barbican Management Update:</u> The Business Plan has been delayed to November 2020. Revised target timescale of 30/11/20 supplied.</p>
7. <u>Barbican IT Projects</u> (MK 3150): Project Initiation Forms for Non-Strategic Projects	Amber	Overdue	31/01/20	31/12/20	<p><u>Internal Audit Comment:</u> Partial implementation has been confirmed and further clarification has been sought to enable closure of the recommendation.</p> <p><u>Barbican Management Update:</u> Revised target timescale of December 2020 supplied.</p>

Committee(s)	Dated:
Finance Committee of the Barbican Board – For information	2 November 2020
Barbican Board – For information	18 November 2020
Subject: Barbican Centre Projects Update Report	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 5, 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Jonathon Poyner – Director of Operations and Buildings	For Information
Report author: Cornell Farrell – Head of Engineering and Projects	

Summary

1. This paper provides a progress and financial status report on the Barbican refurbishment and maintenance projects. Projects are funded through the Cyclical Works Programme (CWP) budget, Additional Funds for City Fund Properties, Non-Cap and Corporate Security and Investment Project (Capital Reserves).
2. The Centre currently has 50 CWP projects approved. The funding for the latest 24 of these became available from the 1st April 2020.
3. There are two outstanding projects which were approved for the Barbican Centre in the 2017/18 CWP budget due for completion by 31st March 2020. These two projects have been extended due to difficulties caused by the Covid-19 pandemic.
4. Progress on all the 2018/19 and 2019/20 CWP projects is satisfactory.
5. Two new capital projects were approved for 2020/21 as detailed in the report.
6. The City Surveyor is now managing the fire safety projects as a single combined project.
7. The financial information on each project is given in a separate appendix for the non-public section due to commercially sensitive information.

Recommendation(s)

- Members are asked to note the contents of this report.

Main Report

Background

1. Each year, the budgets for refurbishment and maintenance projects at the Centre are funded from the Cyclical Works Programme (CWP). The CWP process replaced the former ring-fenced Capital Cap System, ensuring projects are funded and managed consistently and in the same way as other properties across the Corporation.

Current Position

CWP Projects

2. CWP projects must be completed within three years from when the budget becomes available. The Centre has 50 approved CWP projects; 2 are outstanding from April 2017, 10 commenced in 2018, 14 commenced in 2019 and 24 commence in this financial year. 4 of these projects are complete*; the status of the remaining 46 CWP projects is detailed in the tables below.

*Project main works complete but snagging may be outstanding.

CWP PROJECTS APPROVED 2017/18			
(Completion required March 2020)			
Ref.	Project Title	Last Gateway	Comments
107	Public Spaces Carpet Replacement	5	Project complete. Outcome report to be drafted and final account to be verified by Chamberlains.
117	Cinema 1 Refurbishment	5	Works practically complete. Gateway 6 being drafted

CWP PROJECTS APPROVED 2018/19 (Completion required March 2021)			
Ref.	Project Title	Last Gateway	Comments
126	Replace Stage Risers – Concert Hall	5	Project complete. Outcome report to be drafted and final account to be verified by Chamberlains.
127	Reverse Engineering Exercise	1/2	Consultants brief drafted.
128	Main Art Gallery Flooring**	5	Project complete. Outcome report to be drafted and final account to be verified by Chamberlains.
129	Main Art Gallery Walls Resurface**	5	Project complete. Outcome report to be drafted and final account to be verified by Chamberlains.
130	Sand & Seal Concert Hall Woodblock Flooring	1	Project will be delivered next summer due to limited access within the Concert Hall programme.
131	Electrical DB Replacements	0	Project at initiation stage
132	Redecorate Foyer Walls	3/4	Tenders returned and being evaluated.
133	Redecorate Concert Hall Walls	1	as per item 130.
134	Replace Doors to BK Restaurant.	3/4	Planning approval has been granted. Works to be tendered this year - project to be completed by March 2021.
135	Theatre Fume & Dust Extract	5	Project complete. Final account verified. Outcome report to be drafted.

**** Projects combined to form 'Art Gallery 2019'.**

CWP PROJECTS APPROVED 2019/20 (Completion required March 2022)			
Ref.	Project Title	Last Gateway	Comments
145	AHU's Phased Maintenance	0	Project not started.
146	Staircase 8 Refurbishment	0	Project not started.
147	Auditoria 1&2 Seating	4	Tender returns for installation works are being evaluated. Enablement works to be tendered
148	Garden Room Flooring	2	Consultants have been appointed to evaluate flooring options.
149	Exhibition Halls BMS System Replacement	n/a	Project has been cancelled and funding returned because of the agreed Capital funding for Exhibition Halls Safety Works.
150	Sound Recording Studio Refurbishment	5	Project due to complete 23/10/20

151	Heating Feasibility Study for Level 0&1 Restaurants	6	Feasibility study complete. Additional funding will be required for any works. This project was for feasibility only.
152	Kitchen Ventilation Feasibility Study for Restaurants	6	Feasibility study complete. Additional funding will be required for any works. This project was for feasibility only.
153	Level 4 Heating Replacement	4	Consultant appointed. Feasibility report produced. Stage 3 designs complete. Planning have been engaged to discuss designs regarding Planning Permission and Listed Building Consent. Works may have to be deferred to 2021 depending on Centre programme in Autumn.
154	Cinemas 2&3 Internal Decorations & Minor Works	5	Works on site.
155	Electrical Distribution Boards	0	Project not started.
156	Sunken Bars Refurbishment	0	Project not started.
157	Toilets Refurbishment	2	This project will be combined with other toilet refurbishment projects to create one scheme. Consultants brief currently being drafted.
158	Cinemas 2&3 External Decorations	5	Works on site

CWP PROJECTS APPROVED 2020/21 (Completion required March 2023)			
Ref.	Project Title	Last Gateway	Comments
159	Frobisher Crescent Level 4 Environmental Controls	0	Project not started.
160	Lakes De-silting	0	Project not started.
161	Concert Hall Refurbishment choir room, crew rooms and orchestra managers office	0	Project not started.
162	Theatre Lighting, wiring and controls	0	Project not started.
163	Concert Hall Lighting, wiring and controls replacement	0	Project not started.
164	Lift refurbishment – 1 st phase	0	Project not started.

165	Diverter solid pumps	0	Project not started.
166	Public spaces replacement lighting, wiring and controls – 1 st phase	0	Project not started.
167	Phased programme – replace valves & pneumatic actuator and controls	0	Project not started.
168	Public toilets refurbishment (include equality access)	2	This project will be combined with other toilet refurbishment projects to create one scheme. Consultants brief currently being drafted.
169	Theatre Toilets/changing rooms refurbishment	2	This project will be combined with other toilet refurbishment projects to create one scheme. Consultants brief currently being drafted.
170	Cinemas 2/3 Refurbishment Cinemas seats	5	Works due to take place during December dark period; the seating supplier contract has been awarded and the tenders for the enablement works have been received.
171	Commercial – refrigeration plant	0	Project not started.
172	Dock floor repairs	0	Project not started.
173	Sculpture Court Repairs to damaged sculpture court tiling	0	Project not started.
174	Theatre Fly Tower Roof Replacement	0	Project not started.
175	Barbican Kitchen – Repair to Floor Damage and Redecorate	0	Project not started.
176	Frobisher Crescent (4,5 & 6) Replace Metal Doors and Floor Springs	0	Project not started.
177	Replace Shutters in Level 1 Bars	0	Project not started.
178	Goods Lift Replacement (Service Art Gallery)	0	Project not started.
179	Level -2 Replace non fire-retardant wall covering	5	Works complete.
180	Lakeside – Refurbishment of External Furniture	0	Project not started.

181	Conservatory – Heat Exchanger Isolation Valves	0	Project not started.
182	Curve Gallery Humidifier	0	Project not started.

3. The table below sets out the current position of the Centre's 9 Additional Capital Fund for City Fund Properties projects:

Additional Funds for City Fund Properties			
Ref.	Project Title	Gateway Stage	Comments
136	Emergency Lighting Systems	2	City Surveyor is now managing project. The project manager is taking a holistic approach and has created a team of specialist consultants to review the entire fire strategy to include the component projects listed and will report back to the service committee and Projects Sub Committee about the next steps. A project board has been set up to oversee this project.
137	Fire Stopping/Compartmentation	2	
138	Upgrade/ Replacement of Fire Doors	2	
139	Fire Safety Plant Interfaces	0	
140	Fire Safety Signage	2	
141	Sprinkler Systems	2	
142	Fire Alarm Systems	0	
144	Electrical Infrastructure	0	
143	Fire Precaution Works (part of Art Gallery 2019)	5	

Current position (Non-CAP, Security and Investment projects)

4. A summary of the Centre's Non-Cap, Security and Investment projects are set out in the table below:

Project Title	Gateway Stage	Comments
*CCTV	5	Works are complete, except for snagging.
*Access Control	5	Works are complete, except for snagging.
*Hostile Vehicle Mitigation	5 3-4	Silk Street Entrance bollards – Works complete. Exit roadway protective barrier (to concertina doors) – Works complete Roadway hoop barriers to level -1 foyer – works due for completion 23 October 2020 Entrance and exit swing barriers installation – works due for completion 23 October 2020

* These projects are managed by the City Surveyor's Department.

Current position (Capital Projects)

Project Title	Gateway Stage	Comments
Confined and Dangerous workspaces 2020	1	Currently in discussion with the City Surveyor about the best approach to project delivery prior to producing a gateway 2
Art Gallery Chiller Replacement	2	Consultant's brief currently in draft.

Proposals

It is the intention of the Barbican Centre to continue to engage in the corporate processes to acquire CWP and Capital funding for the on-going upkeep and improvement of the Centre. We will maintain the ability to manage most projects with the in-house team due to local knowledge required but also to work in conjunction with the City Surveyor on the more complex projects.

Options

No alternative options are suggested in this report.

Key Data

32 projects not started

1 project at Gateway 1 (project briefing)

11 projects at Gateway 2 (project proposal)

4 projects at Gateway 3/4 (options appraisal)

14 projects at Gateway 5 (Works tendered/on-site)

2 projects at Gateway 6 (Works complete)

Strategic Implications

5. Projects delivered at the Centre consist of major repairs to building fabric and plant or major improvement schemes. These projects contribute to the City's aim to 'shape outstanding environments' by ensuring 'our spaces are secure, resilient and well maintained'.

- Financial implications

The Barbican Project Management Team aim to deliver Value for Money (VFM) as part of a key output for all projects. The team work hard on project specifications, tender evaluations, contractor management and contract administration to manage the budgets. Any unspent budgets due to VFM, or non-delivery of projects are returned to the Centre to help fund other essential projects across the Corporation

- Resource implications

The Barbican Project Management Team is currently under-resourced, comprised of the head of department, one fixed term project manager, one assistant project manager and an apprentice business administrator. The Covid "lockdown" and the Fundamental

Review/TOM have prevented permanent recruitment to the team which has a detrimental impact on our ability to deliver more projects concurrently.

- Legal implications

There are a number of projects that require one or more of Planning Permission, Listed Building Consent or Buildings Regulation Approval and all projects are held until such permissions are in place. The nature of contracts and contract delivery and contract administration is such that disputes can occur. We are mindful that contract particulars are correct prior to engaging any consultant and contractor to protect ourselves in the event of a dispute. We request the services of the City Solicitor if ever required prior to or during any contract phase.

- Risk implications

Every project carries some degree of risk that could prevent project delivery or impact on price, quality and/or time. In addition to this there are risks to the Centre, the programme or the reputation. Project managers are mindful of these and take steps including communication strategies to involve all stakeholders to mitigate against these risks

- Equalities implications

Equality, Diversity and Inclusion is a key strategy for the Barbican Centre. Any future structure changes and recruitment to the Project Management team will be such that any barriers are removed to aid recruitment, development and progression of a more diverse workforce. The age and structure of the Barbican Centre mean that “access” is poor in relation to current standard and modern buildings. Where appropriate the projects aim to improve conditions for visitors, artists and staff and, to address the various disability categories.

- Climate implications

The Barbican Centre is a high energy/resource user particularly in terms of electricity, water and district heating/cooling and the trend is upwards due to the age of some of the plant and increased demand at the Centre due to the growth in the programme. All MEP (mechanical, electrical, plumbing) projects are an opportunity to replace kit with more efficient equivalents and to improve the strategy to reduce our carbon footprint.

- Security implications

Projects can be security-based works, but other projects have temporary security and safety issues whilst works progress. E.g. CCTV or fire safety systems are taken offline to aid the works. This creates a potential vulnerability that has to be managed for the duration of the works.

Conclusion

6. The Centre currently has 50 live CWP projects. In total, 4 of these projects are complete and the remaining projects are ongoing as detailed above
7. The status of Barbican Projects funded from the Additional Fund for City Fund Properties (i.e. fire projects) are progressing as above along with the Investment, Non-CAP, Security and Capital projects.

Appendices

- Appendix 1 – **Project financial information (Non-Public)**

Background Papers

Barbican Centre Project update reports from September 2017 – September 2020.

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