

Committee:	Date:
Barbican Centre Board	16 September 2020
Subject: Barbican Centre Board: Review of Composition and Terms of Reference	Public
Report of: Town Clerk	For Decision

Summary

In 2015, the Barbican Centre Board undertook a review of its general composition and effectiveness, in keeping with governance best practice and in view of the need to ensure a dynamic and diverse Board which could not only provide strategic leadership and challenge for the Centre and its Directors, but was also comprised of key individuals with specific skill sets who could provide more comprehensive guidance and support in important strategic areas.

The outcomes of the 2015 review saw an increase in the number of external representatives on the Board, the introduction of a role description for Board Members (highlighting desirable skills and experience) when advertising vacancies to Court of Common Council, and a skills audit to help identify areas of need and inform recruitment.

With over five years having elapsed since the last review and, in the wake of recent consideration of various governance issues, it is timely to consider once more the Board's arrangements and determine whether or not they remain fit for purpose, or where improvements might be achieved. This is of particular salience for the Barbican given the challenging circumstances arising from the COVID-19 outbreak, together with other emerging challenges affecting the cultural sector more generally.

This report, therefore, sets out considerations in respect of:

- the composition of the Board and potential to increase the external expertise available to it;
- a lack of clarity in relation to term limits;
- the introduction of Board placements; and,
- the Board's Terms of Reference.

It is noted that Lord Lisvane is undertaking a comprehensive Governance Review of the City Corporation's overall arrangements, which will also reflect on the Barbican Board's governance. Those forthcoming recommendations follow consultation with Members, external parties, the Barbican's Management, and officers across the City Corporation. This report is intended to be complementary to any Barbican-specific findings that emerge from that Review, facilitating the effective implementation of proposals within the context of the Barbican's needs, whilst also taking into account best practice across the arts sector and comparator institutions.

Recommendation(s)

Members are asked to 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.

Main Report

Background

1. In 2015, the Barbican Centre Board reviewed its composition and considered the range of skills and expertise required to make it as effective as possible. During these discussions, a number of options were debated and the Town Clerk was asked to prepare a paper summarising and assessing the current composition of the Board, in line with these discussions. This resulted in a skills audit and various proposals being adopted, including the introduction of a role description and an increase in the number of external Members on the Board.
2. The 2015 review built upon a previous review in 2008/09, where changes to the composition and the introduction of term limits had been established. Given the time that has now elapsed and in the context of an evolving and challenging climate, it is now timely to consider again whether further amendments or improvements might be beneficial.

Current Position

3. The Board is currently comprised of 20 Members, including 7 external Members appointed by the Board in light of the specialist skills and knowledge they possess. 10 Members are directly elected by the Court of Common Council (or appointed by other City of London Corporation Committees) from amongst its membership, with a further 3 individuals serving on the Board in an ex-officio capacity, to provide important links with the City’s other cultural activities and the Barbican Centre Trust (the Chairs of the Board of Governors of the Guildhall School of Music and Drama and the Culture Heritage and Libraries Committee, and the Chair of the Barbican Centre Trust).
4. In an evolving cultural and societal landscape, through the 2015 review the Barbican Centre Board considered that the range of skill sets previously identified as necessary for a high-performing Board had now expanded. A number of areas of critical importance, not just to a world-class arts centre but to any commercial enterprise, had emerged and developed, and the Board had identified a number of areas where additional expertise would be beneficial:
 - the ever-growing importance of a strong digital offering
 - addressing a lack of diversity within the cultural sector

- decreases in public sector contributions to the arts and the need to expand the Centre's commercial operations
 - property expertise, in view of the potential creation of a new national Centre for Music alongside the ever-present challenges of maintaining an operational arts centre within an ageing residential estate
 - the increasing focus on Creative Learning and the youth offering across London, working with partners and other London Boroughs to change the lives of young people
 - development activities, working with the Barbican Centre Trust to maximise the Centre's fundraising abilities.
5. It is fair to say that the importance of these areas has not diminished; indeed, several have arguably grown even more in significance in the intervening period. In addition, further substantive challenges have arisen for the Barbican and the cultural sector generally, through both the COVID-19 outbreak and the UK's departure from the European Union. Both present significant operating and financial challenges, and it will be vital, in the coming months and years, for the Barbican to enjoy the best strategic leadership and advice possible, to help it navigate these troubled waters.

Considerations

Composition and Size

6. General good governance dictates that effective Boards should determine and periodically review their size and composition. As mentioned earlier in this report, the current size of the Board is 20 Members.
7. During the 2015 review, when discussing ways through which the identified skills gaps might be met, some Board Members noted that, with 18 Members already serving on the Board, it was questionable as to whether increasing the size of the Board significantly to allow for the appointment of additional individuals with these skills would be desirable.
8. However, due to its unusual funding and governance arrangements - like other comparable institutions, the Barbican Board does not have the autonomy to select the totality of its own membership, being as it is an institution of the City Corporation, rather than a distinct entity (as other leading arts centres tend to be) – it was felt by the majority that the Barbican benefited from having a higher than average number of Board Members, due to the requirement to ensure that the interests of the City Corporation are served whilst, at the same time, overseeing the Centre's effective operation and the provision of multi-platform pioneering artistic programmes.
9. In considering amendments to the Board's structure, Members were also conscious of the importance of retaining an overall majority of Common Council Members. Given the evident range of experience and skill sets available on the Court of Common Council, it was agreed that more targeted efforts to attract such Members to stand for election to the Board, using a role specification and

list of experience sought, would be of use in attracting those with requisite skills to apply.

10. Members nonetheless recognised this process could not guarantee that the requisite skill sets were procured; for instance, it might be that Members with expertise in relevant areas are not serving on the Court at the time of election, or that they do not have the ability to join the Board at that point due to other commitments. They might also not be elected by their fellow Common Councillors.
11. Accordingly, the Board was minded that provision should be made to allow for it to increase the number of external Members it could appoint, so that the Centre's needs could be met within a reasonable timescale. The number of external appointees was, therefore, increased from five to seven (with the overall Board size increasing from 18 to 20), and suitable candidates have since been appointed.
12. In order to ensure that Common Councillors retained the controlling interest in decision-making, the quorum of the Board was also adjusted to require that Common Councillors be in the majority, thereby ensuring that external Members never held the majority on any voting matter.
13. In considering now whether that balance remains fit-for-purpose, Members may wish to consider the unparalleled times in which the Barbican finds itself, and whether there are specific skills sets or areas of expertise that would be of immediate and material benefit to the Barbican and its Board at this point in time. **Accordingly, you may wish to consider increasing the number of external Members the Board may appoint, even if on a time-limited basis, to ensure there is sufficient expertise available at this crucial time.**
14. With 20 Members at present, the Board is larger than good governance might generally suggest is sensible (with an upper limit of 15 or so usually the norm). When contrasting the Board with those of comparable institutions (for instance, the South Bank Centre, Sadler's Wells, the National Theatre, etc.) it is apparent that the general range falls somewhere between 10 and 15.
15. However, the particular nuances and structures of the Barbican, as considered in the 2015 review (and mentioned earlier in this report), provide a rationale for the exception in this instance. Nevertheless, it is an issue to be extremely mindful of when considering any further changes.
16. The current balance of the Board is 12 Common Councillors to 8 External Members (when counting the ex-officio Chair of the Barbican Centre Trust). There is, therefore, some capacity to tweak the balance slightly to allow for a further one or two external Members, at the expense of Common Council places, whilst still retaining a voting majority (given the Chair's casting vote). This could be managed through natural wastage when existing Common Council terms come to an end, resulting in a balance of 11:9 or even 10:10 Common Councillors to External Members.

17. There is also a wider consideration as to the relative benefits or disbenefits of retaining Common Council majority or moving away from this, particularly given the ability to mitigate previous concerns in relation to financial control raised during the 2015 review, for instance, by providing a veto of sorts to Common Councillors, particularly with respect to financial matters. This would be a helpful mechanism in ensuring that responsibilities in relation to public monies (noting that the Centre is funded primarily through City Fund) by elected representatives are maintained.
18. That matter is likely to be discussed through the Governance Review process and may have some bearing on this particular cogitation at the time of consideration. Consequently, Members may feel it more pragmatic to seek a temporary increase in size or adjustment to composition, pending the findings of that Review.

Term Limits

19. One of the outcomes of the 2008/09 review was the introduction of term limits for Board Members, consistent with general governance best practice. Board Members may currently serve for a maximum of three terms of three years.
20. However, it has become apparent that there is a lack of clarity associated with the specifics of that requirement, both in relation to breaks in service and to ex-officio or other appointees.
21. At present, the wording of the Board's constitution is such that, once a Member has completed nine years' service, they would technically be eligible to serve again after a short break. It seems unlikely that providing for such a loophole could have been the express intention when imposing term limits and would seem to run contrary to the spirit of the application of term limits generally.
22. A direct comparator is the Board of Governors of the Guildhall School of Music & Drama, where a similar nine-year limit on service exists. There, the newer (and slightly tighter) wording of that Board's constitution prevents the possibility of this loophole occurring, in keeping with the requirements of the Higher Education Code of Governance (where there is an express limitation on aggregate service). Clauses in relation to the use of term limits also exist within the UK Code of Corporate Governance, and consistent term limits is also accepted best practice across within the arts sector itself.
23. For instance, those arts bodies to whom Government makes public appointments (such as the Tate Gallery, British Museum, or National Gallery) comply with the Commissioner for Public Appointments' guidance on Public Appointments, which advises that "no individual should serve more than two terms or serve in any one post for more than ten years". Within this, many often apply a "two terms of four years" (i.e. 8 years' maximum) approach. Other comparator institutions, such as Sadler's Wells, are registered as charities and so comply with the Charity Commission's Charity Governance Code, which recommends a nine-year limit.
24. Related inconsistencies are apparent in relation to the three ex-officio posts and the appointments made by the Finance and Policy & Resources

Committees, where the wording of the constitution is silent in respect of the application of term limits and it is unclear whether the intention was that these should apply or not.

25. Say, for instance, that the Chair of the Board of Governors of the Guildhall School of Music & Drama had already served nine years on the Barbican Board in their own right. Currently, the wording of the constitution is sufficiently ambiguous that they would be eligible to remain on the Barbican Board by virtue of their ex-officio position. Equally, the Finance or Policy & Resources Committees could appoint the same individual for multiple years, well in excess of nine, should they so wish.
26. Members may well feel that this distinction in roles and the application of the term limit is, or has been, desirable. However, it is self-evident that the lack of clarity needs to be addressed and the position made explicit within the Board's constitution, to avoid any confusion or misunderstanding as to its future application. It is also apparent that the application of term limits is established best practice in respect of good governance across the arts sector and beyond and ***it is, therefore, recommended that a consistent position in respect of the application of term limits, i.e. a firm maximum service limit, be applied moving forwards.***
27. In applying these term limits uniformly, mechanisms such as perhaps allowing for Deputy Chairs or alternates to serve in place of ex-officio Chairs can be employed to manage those situations where previous service causes an issue.
28. It should be said that comparator bodies do often have the capability to make extensions beyond defined term limits (or to disapply the limit for a period) in exceptional circumstances, or if deemed in the interests of the Board. To that end, it is worth observing that the Board's constitution provides for specific exceptions to be permitted, with the concurrence of the Court, should there be any situation where flexibility or pragmatism may be required. This provision was utilised to allow for the incumbent Deputy Chairman to serve for an additional year on the Board, in view of exceptional circumstances, by way of example. A previous exception was also made for Keith Salway, a past Board Member with significant financial expertise and knowledge of the Centre's operations, during a particular period of change to the Board. One could envisage similar circumstances arising in future and it is prudent to have the opportunity to have some flexibility should the situation call for it and it be in the best interests of the Board.

Board Placements

29. One particular area that Members may wish to give consideration to is the creation of Board Placement roles.
30. It is accepted that there is a lack of diversity at Board level across most sectors, and this is also true within the cultural sector. Most Boards will, perhaps understandably, wish to recruit Members with extensive experience or skills in particular fields and on other Boards, which tends to result in an inherent bias towards appointing people from particular age demographics.

31. One initiative intended to try and address this shortfall, utilised to good effect by Sadler's Wells, is the creation of Young Trustee Placements. This sees the appointment of younger people, who might not perhaps be considered for Board places in the normal way, to effectively act as non-voting Board Members.
32. Not only does this have the benefit of bringing a younger and more diverse voice to the Board, but it also afford the individuals invaluable experience of serving on a high-profile Board: understanding the executive and non-executive dynamic, input into strategic decision-making, and similar skills and experience at a level that it would be difficult to come by through exposure elsewhere. This will equip them to apply with confidence to other similar roles in the sector and beyond, thus assisting in the diversification of the sector at the Board-level and beyond.
33. ***It is, therefore, proposed that to increase the diversity of those who contribute at Board level, such an approach be pursued.***
34. The key objective is to attract younger people, say 30 years old and under, who might bring a different perspective to Board discussions; use the opportunity to learn from Board member experiences for their own career development; and go on to contribute to other organisations in the cultural sector at a senior level.
35. Candidates would undergo a selection procedure, and if successful, they would need to commit to the time necessary to fulfil the duties of the role effectively. It is envisaged that up to two placements might be offered initially, with a duration of up to 2 years.
36. Those taking up the placements would receive full Board papers, attend Board meetings and other meetings, e.g. awaydays, and be encouraged to share their views as appropriate. It will be important to 'buddy' each person with a Board Member who is willing to take a mentorship role and work with the young person to get the most out of the experience and build confidence.
37. Those taking up a placement would sign a letter of appointment for a period of between 18 months and 2 years. The positions, as with Board Member roles, would be unpaid, and the Barbican would seek to use existing networks, especially those operated by Barbican/Guildhall Creative Learning, to draw up a shortlist of interested candidates from which the Nominations Committee can appraise and select successful applicants for recommendation to the Board.
38. In particular, the intention would be seek to identify suitable candidates from the City's Family of Academies and Schools in the first instance, as well as from the wider community of Schools with which the Barbican Centre works across London (particularly through its creative learning activities). This will have the additional benefit of helping to build and strengthen links with these bodies and other City institutions.

39. Given the Barbican's increasing focus on creative learning and work with young people, such an approach could bring significant benefits on all sides and should be considered accordingly.

Terms of Reference

40. The terms of reference of the Board (set out at appendix 1) are relatively straightforward and, of themselves, appear to present no immediate cause for concern – the role of the Board is clear in terms of the provision of strategic direction, the appointment of the Managing Director, and enterprise and income-generating support.
41. However, linked with the preceding proposal, it is notable that the importance of creative learning and education has never been greater to the Barbican. It is clear that the Barbican will only enjoy success if it is able to appeal to a wide and diverse range of audiences: it has, therefore, a key role to play in seeding and fostering an engagement with cultural pursuits through its education and creative learning portfolio.
42. The current wording of the terms of reference specifies responsibility for *“the provision of world-class arts and learning by the Centre for the education, enlightenment and entertainment of all who visit it... [and] the provision of access to arts and learning beyond the Centre”*.
43. This is, perhaps, insufficiently explicit and there is a risk of confusion of responsibilities in relation to the role of the Education Board, whose Terms of Reference refer to oversight and monitoring of educational matters including creative learning (in consultation with relevant Boards and Committees with roles defined by their own Terms of Reference).
44. ***Amending the Barbican Board's Terms of Reference to make clear that it oversees the creative and cultural learning programmes of the Barbican would, therefore, seem to be a pragmatic way of addressing any potential for conflict.***
45. Whilst the Education Board undoubtedly has a role to play in monitoring and being aware of the Barbican's creative / cultural learning activities, as part of its wider piece in relation to the Corporation's overall educational endeavours, it is clearly the Barbican Centre (and, indeed, the Guildhall School of Music & Drama, with whom the Barbican acts through a Creative Alliance) which delivers in this area; the Board considers the Creative Learning Strategy and delivery against it on an annual basis, providing strategic guidance and input to assist.
46. Inserting the words “particularly through the delivery of its creative and cultural learning programmes” to subsection 4(c) of the Terms of Reference (appendix 1) might be beneficial.

Conclusion

47. This report presents several potential proposals or considerations which are intended to enhance the effectiveness of the Board, by allowing for additional expertise and strategic leadership at what is a time of significant change, both

for the arts world and the Centre itself. Members are asked to consider the various items, as well as others that may emerge through discussion.

Appendices

- Appendix 1 – Terms of Reference

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BARBICAN CENTRE BOARD

1. **Constitution**

A Non-Ward Committee consisting of,

- eight Members elected by the Court of Common Council for three-year terms, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment.
- Up to seven non-Common Council representatives appointed by the Committee, of which at least two should be drawn from the arts world
- a representative of the Policy & Resources Committee
- a representative of the Finance Committee
- the Chairman of the Board of Governors of the Guildhall School of Music & Drama (ex-officio)
- the Chairman of the Barbican Centre Trust (ex-officio)
- the Chairman of the Culture, Heritage & Libraries Committee (ex-officio)

The Chairman of the Board shall be elected from the City Corporation Members.

There is a maximum continuous service limit of three terms of three years.¹

2. **Quorum**

The quorum consists of any five Members, provided Common Councilmen are in the majority.

3. **Membership 2020/21**

- 3 (3) David Andrew Graves, Alderman
- 6 (3) Wendy Mead, O.B.E.
- 10 (1) Dr Giles Robert Evelyn Shilson, Deputy, *for one year*
- 6 (3) Tom Sleight, Deputy
- 5 (2) Vivienne Littlechild, M.B.E., J.P.
- 2 (2) William Anthony Bowater Russell, Alderman, the Rt Hon The Lord Mayor
- 1 (1) Munsur Ali
- 1 (1) Randall Keith Anderson

Together with the Members and ex-officio Members referred to in paragraph 1 above, and:-

Stephen Bediako)	
Russ Carr)	
Zulum Elumogo)	Up to seven non-Common Council Members appointed by
Gerard Grech)	the Board
Lucy Musgrave)	
Jenny Waldman)	
Vacancy)	

4. **Terms of Reference**

To be responsible for:-

- (a) the strategic direction, management, operation and maintenance of the Barbican Centre, having determined the general principles and financial targets within which the Centre will operate;
- (b) the appointment of the Managing Director of the Barbican Centre;
- (c) the Centre's contribution to the City of London Corporation's key policy priority, 'Increasing the impact of the City's cultural and heritage offer on the life of London and the nation', viz.:-
 - i) the provision of world-class arts and learning by the Centre for the education, enlightenment and entertainment of all who visit it; and
 - ii) the provision of access to arts and learning beyond the Centre;
- (d) the creation of enterprise and income-generating support for the Centre.

¹ *other than in specific cases approved by the Court of Common Council.*