

Committee(s): Barbican Centre Board – for decision	Dated: 02/02/2023
Subject: Annual Terms of Reference Review	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?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: Town Clerk	For Decision
Report author: Ben Dunleavy	

Summary

This report outlines proposed changes to the constitution and quorum arrangements of the Barbican Centre Board. These follow informal consultation with Members of the Board. In summary, the changes propose to reduce the size of the Board, mitigate the frequency of inquorate meetings, and regularise the term limits for Members, with an overall aim of improving the Board's effectiveness.

Recommendation(s)

Members are asked to:

- Endorse the following changes to the Barbican Centre Board's terms of reference (including its constitution and quorum rules), for onward approval to the Policy and Resources Committee:
 - Change the number of Court representatives to 'seven';
 - Remove the requirement in the Board's constitution to have representation from the Finance Committee;
 - Remove the ex-officio positions from GSMD and CHL;
 - Change the number of non-Court representatives to 'up to eight';
 - Change the terms of office for both Court Members and External Members to:;
 - For Court Members, three-year terms, renewable once. The maximum service period to be six years, except when serving as Chair or Deputy Chair.
 - For External Members, three-year terms renewable once, with the possibility of renewal for a further three-year term by special agreement of the Board.

- Remove the requirement for Court Members to be in the majority for Board meetings to be quorate;
- Add a requirement to the quorum rules that Court Members must be in the majority for the approval of the Budget, the appointment of External Members and for the appointment of the Chief Executive Officer; and
- Update the reference to the Managing Director in the terms of reference so that it refers to the Chief Executive Officer

Main Report

Background

1. The Barbican Centre Board is currently composed of 22 Members (the Board's constitution is outlined in Appendix 1), and must have at least five Members present, providing Court Members are in the majority, to hold a quorate meeting. The reason for stipulating that Court Members must be in the majority is to provide a financial and strategic safeguard for the City of London Corporation.
2. Since these rules were originally drafted, the number of External Members appointed to the board has increased; due to the rules governing the quorum for Board meetings, this Member composition may be a factor in the increased risk of inquorate meetings.

Current Position

3. Members of the Board and officers have held a series of informal consultations on Board governance, with a particular recent focus on the Board's composition to help resolve the issue of inquorate meetings. These discussions have used the Governance Review conducted by Lord Lisvane in 2020 as a guide.
4. The following areas have been highlighted as areas of particular focus for the Board:

Constitution

5. The Lisvane Review recommended that Boards and Committees should be composed of 12-15 Members. While the internal Governance Review did not make any changes to the Barbican Centre Board following this recommendation, there was an encouragement from the Court for all Committees to reconsider their compositions. Board Members expressed a view at the informal discussions that it would be appropriate to consider reducing the size of the Board to provide greater alignment with these recommendations. Members identified a Board size of 17 (eight Court Members and eight External Members, together with the ex-officio position granted to the Chair of the Barbican Centre Trust) as a suitable target.
6. The suggested mechanism for reducing the number of Court Members is to remove representative and ex-officio Members from other Committees. Currently, four Court Members sit on the Board through this mechanism – a representative each from the Finance and Policy and Resources Committees, and ex-officio membership for the chairs of the Culture, Heritage and Libraries Committee and the Board of Governors of the Guildhall School of Music and Drama.
7. Given that the strategic initiatives such as Destination City and Barbican Renewal make the relationship between the Barbican Centre, its Board and the Policy and Resources Committee one of ongoing importance, it is suggested that it would be appropriate for the Policy and Resources Committee to retain its link into the Board. There are two options for achieving this, both of which were considered at the information discussions. The Board could either retain the current representative position appointed by the Policy and Resources Committee, or recommend that the composition be revised to state that at least one Member serving on the Board should also serve on the Policy and Resources Committee.

8. The informal discussions did not provide a clear direction on a preferred option; however, it is possible that the second option might lead to complications when it came to the annual appointment of the Board at April Court meetings. For example, should a Member be trying to gain appointment to the Board by virtue of their place on the Policy and Resources Committee, while also trying to be reappointed to the latter, they may be successful in joining the Board but unsuccessful in rejoining Policy and Resources, thus automatically removing from the Board.
9. It is therefore recommended that the current arrangement by which the Policy and Resources Committee appoints one of its Members to the Board, and that the number of Members appointed by Court is revised down to seven accordingly, to maintain the suggested number of eight Court Members.
10. With regards to the representative from the Finance Committee and the ex-officio positions for the Chairs of the Culture, Heritage and Libraries Committee and the Board of Governors of the Guildhall School of Music and Drama, these places on the Board were originally created to foster greater links between the Board and these Committees. However, it is arguable that subsequent changes in officer structure and responsibilities are just as effective in maintaining these links. For example, the Artistic Director of the Barbican Centre is also the Head of Profession for Arts for the City Corporation, and attends the Culture, Heritage and Libraries Committee, while officers from the Chamberlain's Department are embedded in the Barbican Centre team. The process for budget-setting for the Barbican Centre means that decisions on this subject must also pass through the Finance Committee, thus retaining a link between the two.
11. Furthermore, the Chair of the Board does not have an ex-officio position on the Board of Governors for Guildhall School of Music and Drama, but is eligible to attend in a non-voting, advisory capacity. Members may wish to consider if this is a more appropriate arrangement to replicate for the Board.
12. To reach eight External Members, it is recommended that the upcoming vacancy is simply not recruited to, and the composition revised so that the Board can appoint 'up to eight' Members.

Term limits

13. The current term limit for Members is three terms of three years, with a maximum service of nine years. At the informal discussions, Members felt that it would be appropriate to regularise the term limits of both Court Members and External Members, so that both serve three-year terms which are renewable once, leading to a maximum of six years' service on the Board. However, it was also felt that it would be appropriate to provide for an option for the Board to renew the term for a second time in exceptional circumstances, for External Members.
14. It was agreed in May 2022 to recommend to the Policy and Resources Committee that the term limits of Barbican Centre Board Chairs should be extended to four years, to align itself with arrangements for similar institutions (see background papers). Further to this, it is recommended that time served as Chair and Deputy Chair should not count towards the regular term limit (i.e, service would be frozen). This is a mechanism employed by other City Corporation committees, such as the Audit and Risk Management Committee.

15. It is also proposed that, consistent with the recommendation from Lord Lisvane, there should be an expectation that Chair of the Board would step down from the Board once they have finished serving their term as Chair.

Quorum

16. Owing to the recent experience of inquorate, it was also felt by Members that the current quorum arrangements should be revised to remove the requirement for Court Members to be in the majority. This would mean that it would require only five Board Members to be present for meetings to be quorate, regardless of their status as either Court or External Members. However, it was also felt necessary to retain safeguards for certain items of business, so that a majority of Court Members would need to be present when a decision is required.

17. The suggested safeguarded items of business are:

- Approval of the Budget
- Appointment of External Members
- Appointment of the CEO (exact wording subject to the suggested revision at paragraph 23)

Terms of reference

18. A minor change is also proposed to the terms of reference to update item (b) so that it refers to the 'Chief Executive Officer' rather than the 'Managing Director', following the outcomes of the TOM.

Options

19. The options for the Board are presented below:

- Option A: agree to the proposed changes laid out in paragraphs 20 to 23 below. **This option is recommended.**
- Option B: retain the terms of reference and composition of the Board as they currently are. **This option is not recommended.** Retaining the current arrangements may lead to the Board continuing to experience issues around being inquorate.

Proposals

20. It is proposed that the Constitution of the Board be amended as follows:

- Change the number of Court Members elected by the Court to 'seven';
- Remove the representative of the Finance Committee;
- Remove the ex-officio positions for the Chairman of the Board of Governors of the Guildhall School of Music and Drama and the Chair of the Culture, Heritage and Libraries Committee;
- Revise the number of External Members appointed by the Board to 'up to eight';
- Remove the representative of the Finance Committee;

- Terms of three years, renewable once, with a maximum service limit of six years except when serving as Chair or Deputy Chair and an option to appoint External Members on an exceptional basis.

21. It is also proposed that the upcoming External Member vacancy is not recruited to, in order to reduce the number of External Members to eight.

22. It is proposed that the quorum rules of the Board be amended as follows:

- The quorum to consist of any five Members, provided that Court Members are in the majority for the following items:
 - Approval of the Budget
 - Approval of the appointment of External Members
 - Appointment of the CEO

23. It is proposed that item (b) of the terms of reference be revised to refer to the 'Chief Executive Officer' rather than the Managing Director.

Corporate & Strategic Implications

Strategic implications – the proposals in this report do not directly support delivery of the Corporate Plan; however, improving the efficiency of the Barbican Centre Board will allow it to support the delivery of the Plan and other relevant Corporate strategies as and when they reach the Board.

Financial implications – there are no financial implications

Resource implications – there are no resource implications

Legal implications – there are no legal implications

Risk implications – there are no risk implications

Equalities implications – the proposals do not have any equalities implications. The proposals seek to revise the number of Members on the Board and their lengths of service, but they do not seek to amend the personal identities of these Members – this is a matter decided by the elections at Court, the appointment of the Policy and Resources Committee (if retained) and the recruitment process for External Members.

Climate implications – there are no climate implications

Security implications – there are no security implications

Conclusion

24. These proposals, which reduce the size of the Board, amend the term limits for Members and revise its compositions, aim to increase the Board effectiveness by reducing the likelihood of inquorate meetings and adopting some of the proposals of the Lisvane Review.

Appendices

- Appendix 1 – current Barbican Centre Board constitution and quorum rules
- Appendix 2 - proposed revisions (tracked changes)

Background Papers

Minute Extract of the Barbican Centre Board May 2022

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