

**M I N U T E S
16 JANUARY 2008**

Minutes of the meeting held from 1030 to 1310 on 16 January 2008 at the BFI, 21 Stephen Street, London W1T 1LN

Present:

Professor Roger Laughton CBE (Chair)
Tim Angel OBE
Peter Foy
Leslie Hardcastle OBE
Peter Watson

In attendance:

Amanda Neville, Director
Eddie Berg, Artistic Director, BFI Southbank
Paul Crake, Head of Policy & Corporate Affairs
Nick Mason Pearson, Director of Press & Public Affairs
Jill McLaughlin, Director of Resources & Planning
Heather Stewart, Cultural Programme Director, UK-Wide
Jeanette Wilkins, Finance Director
Richard Brousson, Legal Counsel (Secretary)

1 APOLOGIES FOR ABSENCE

Shami Chakrabarti CBE
Eric Fellner CBE
Lizzie Francke
Stephen Frears
Caroline Michel
Sam Taylor-Wood

2 MINUTES OF THE MEETING OF 14 NOVEMBER 2007

The Minutes of the meeting of 14 November 2007 were approved as an accurate record.

3 MATTERS ARISING

- 3.1 *Minute 4: Attendances at the National Film Theatre over the last five years:*
The Board accepted the use for budgeting purposes of a conservative audience target for BFI Southbank, but wanted a more ambitious internal target for audience numbers.

3.2 *Minute 5: Southbank Technical Review:*

The Southbank Technical Review will be reported to the February meeting of the Board of Governors.

Action: Eddie Berg

3.3 *Minute 7a): Film Centre procurement process for project managers and cost consultants by placing an Official Notice in OJEU on 21 November 2007:*

The Executive considered there was still too high a level of uncertainty around the funding of the Film Centre project so the procurement process was not started.

3.4 *Minute 10: Outsourcing of film sales:*

The same conflicts of interest were noted in relation to the proposal to transfer Film Sales as were noted at the last meeting of the Board of Governors. Those persons present with a conflict of interest took no part in any discussion or decision:

- 1) the BFI's external auditors were commissioned to review the disposal process and to comment on the financials. They gave the process a clean bill of health and approved the decision made to enter into exclusive negotiations with Hanway Limited;
- 2) Paul Crake had prepared a Report for Audit & Governance Committee on how similar bodies handle conflicts of interest, and a further Report on this matter was elsewhere on the agenda for the Board of Governors;
- 3) the Charity Commission had determined that there was potential for the proposed course of action to constitute a "benefit" for a Governor, but had also issued an Order to permit the BFI to enter into an Agreement with Hanway Limited if we determined that course of action was in the best interests of the BFI;
- 4) the Audit & Governance Committee had recommended that the BFI enter into exclusive negotiations with Hanway Limited. Paul Crake had contacted all Governors, and a majority had given their consent to this recommendation;
- 5) those Governors present without a conflict of interest agreed that the final draft contract with Hanway Limited should be approved by Peter Foy and Roger Laughton before signature.

Action: Richard Brousson

4 DIRECTOR'S REPORT

The Report was noted.

5 DRAFT BUSINESS PLAN

5.1 The draft outline Business Plan was agreed.

- 5.2 The final draft Business Plan will be presented to the February meeting of the Board of Governors for approval, by when it was anticipated that the UKFC would have confirmed both grant-in-aid for the year and a treatment for the ongoing revenue gap.

Action: Amanda Nevill/Jeanette Wilkins

6 STATUTORY REPORT & ACCOUNTS 2006/07

- 6.1 The Statutory Report & Accounts for 2006/07 were approved subject to the following conditions being met to the satisfaction of the Acting Chair:

- a) confirmation of at least £16 million per annum Grant-in-Aid from UKFC; and
- b) confirmation that DCMS would provide £1 million "EYF" funding;

- 6.2 it was agreed that the UKFC be informed that the Board of Governors was unable to sign off the accounts due to these conditions not being met;

Action: Amanda Nevill/Jeanette Wilkins

- 6.3 the Board requested that after consultation with the UKFC the Charity Commission be informed that an extension to the date for filing the BFI's accounts may be required.

Action: Paul Crake

7 BFI CORPORATE GOVERNANCE

It was agreed that:

- 1) with effect from 1 April 2008, the frequency of Board of Governors meetings would be reduced to six in any year, with an additional away-day;
- 2) with effect from 1 April 2008, and subject to the agreement of the incoming Chair, the following committees would be established with memberships and quorums as set out in the Appendix to the Report:

Governance committees:

- a) Performance & General Purposes Committee
- b) Audit, Risk & Governance Committee
- c) Nominations & Appointments Committee
- d) Remuneration Committee

Project committees:

- e) National Film Centre Steering Group
- f) Development Committee

Advisory groups:

- g) Collections Advisory Group
- h) National Archive Strategy Advisory Group

- 3) minutes of all meetings of these committees will be circulated to all Governors;
- 4) minutes of governance and project committees will record only the decisions made at that meeting and, where requested at that time by the committee member concerned, will record their dissent from any specific decision;
- 5) minutes of advisory groups will represent the views and issues discussed at that meeting;
- 6) minutes of the Board, once they have been approved by the Chair or Deputy Chair (or, if neither were present, after approval by the person who chaired that meeting), and once any confidential items have been removed by the Office of the Head of Policy & Corporate Affairs, will be published on the BFI's website and in the BFI National Library;
- 7) a standing agenda item at each meeting of the Board of Governors will enable the chairs of governance committees to report to the Board any important issues that arose during any meetings of that committee which had taken place since the previous meeting of the Board of Governors. These issues will be recorded in the Board's minutes and, hence, be widely published;
- 8) the Executive should seek to reduce very substantially the volume of papers produced for all Board and committee meetings.
- 9) draft Terms of Reference for the committees in (2) (*above*) will be prepared for the Board of Governors to consider, along with a schedule of draft dates which should be fixed to take account of the workload of each committee and the timing of matters such as the annual financial cycle;
- 10) all other committees previously established by the Board of Governors will be abolished with immediate effect;
- 11) the new corporate governance system should be formally reviewed by the Board of Governors in one year.

Action: Paul Crake

8 DIRECTORS OF BFI SUBSIDIARY COMPANIES

It was agreed that:

- 1) the Board of Governors appoints by 1 April 2008 a BFI Governor for a term of 1 year to be a director of BFI (Big Screen) Limited for no benefit;
- 2) the Board of Governors appoints with immediate effect Professor Elan Closs Stephens CBE for a term of 1 year to be an "unconflicted" director of BFI (Big Screen) Limited for a fee of £1,000;
- 3) the Nominations & Appointments Committee undertakes a review of the directorship arrangements for all BFI companies including any

fees for independent directors and makes recommendations to the Board of Governors.

Action: Paul Crake

9 MANAGING CONFLICTS OF INTEREST

It was agreed that:

- 1) the BFI will keep a new *Register of Interests*;
- 2) on appointment and once each year thereafter, every Governor, and every member of BFI staff who routinely attends meetings of the Board of Governors or a governance committee, will complete a Declaration of Interests which will cover the interests of themselves, their immediate family and their close friends in regard to:
 - (i) employment;
 - (ii) directorships of other boards or other executive/non-executive roles;
 - (iii) memberships of charities, professional or political organisations;
 - (iv) shareholdings or any other interest in a “notifiable company” (other than those held in a portfolio investment such as a pension fund, over the composition of which the person concerned has no control);
 - (v) connections between the person making the Declaration and any other persons connected with the BFI;
 - (vi) anything else they think appropriate to declare.

A “notifiable company” includes a company a significant part of whose business (or of the business of any subsidiary or parent) operates in an area in which the BFI also operates (and would include, for example, publishers, estates managers, accounting firms, furniture suppliers, film production companies, stationers, etc).

The *amount* of a registerable interest need not be declared, only the fact of its existence;

- 3) the Declarations of Interest will be compiled into a *Register of Interests* which will be held by the Head of Policy & Corporate Affairs. The *Register* will be in two parts: Governors and staff. The Governors section will continue to be available for inspection by any member of the public contacting the Office of the Head of Policy & Corporate Affairs during normal office hours. The staff section of the *Register* will not be published. The entire *Register* will be open for inspection at any time to any Governor, member of the Executive Board or staff engaged in procurement;

- 4) persons completing a Declaration of Interest will inform the Head of Policy & Corporate Affairs by email or in writing of any material change in their Interests as soon as that change occurs;
- 5) once each year, the Audit & Governance Committee will formally review the *Register of Interests*, making recommendations to the Board if they wish to do so;
- 6) at the start of every meeting of the Board of Governors or a governance committee, the agenda will include an item inviting Declarations of Interest. All Declarations will be formally recorded in the minutes. Governors or staff arriving after the start of a meeting will make any Declarations of Interest as soon as they arrive;
- 7) Governors with a conflict (and, except in exceptional circumstances, staff in attendance with a conflict) will leave the room immediately before the item relating to their Interest is reached and will neither discuss it, advise on it or vote on it, and nor will they count towards the quorum of the meeting while they are so absent. Where it is considered by the Board necessary for a member of staff with a conflict to remain in the room, the reasons for that will be recorded in the minutes;
- 8) the recommendations agreed by the Governors as a result of this paper will be published on the BFI's website by the Head of Policy & Corporate Affairs as the BFI's policy on managing conflicts of interest, with a short introduction adapted from the Charity Commission's guidance.

Action: Paul Crake

10 HEALTH & SAFETY REPORT

The Report was noted.

11 NOVEMBER 2007 MANAGEMENT ACCOUNTS

The Report was noted.

12 POSSIBLE HIGHER EDUCATION PARTNERSHIP

For reasons of commercial confidentiality the information in this minute has been removed.

The meeting closed at 1310.

Richard Brousson
BFI Legal Counsel