

**BRITISH FILM INSTITUTE
BOARD OF GOVERNORS**

M I N U T E S

2 SEPTEMBER 2010

Minutes of the meeting held from 1030 to 1350 on 2 September 2010 at BFI, 21 Stephen Street, London W1T 1LN.

Present:

Greg Dyke (Chair)
Shami Chakrabarti CBE (for matters recorded under Minutes 8-12)
Eric Fellner CBE
Sir Christopher Frayling
Caroline Michel (for matters recorded under Minutes 7-12)
Tessa Ross CBE (for matters recorded under Minutes 1-10)
David Thompson (for matters recorded under Minutes 1-11)
Peter Watson (for matters recorded under Minutes 1-11)
Cy Young

In attendance:

Amanda Nevill, Director
Trevor Mawby, Director of Finance & Resources
Paul Crake, Board Secretary

1 APOLOGIES FOR ABSENCE

Peter Foy
Matthew Freud
Ashley Highfield
Sir Howard Newby

2 DECLARATIONS OF INTEREST

These interests were declared: Greg Dyke as a director of the UK Film Council in the matters discussed under Minutes 8 and 9; Amanda Nevill as a company director of British Film Institute (Big Screen) Limited in the matters discussed under Minute 8; and Tessa Ross as an employee of Channel 4 Television in the matters discussed under Minute 8. It was agreed that the nature of their various interests was such that they would not be required to leave the room while these items were considered.

3 MINUTES OF THE MEETINGS OF 5 MAY AND 8 JULY 2010

The minutes of the meetings of 5 May and 8 July 2010 were approved as accurate records.

4 ANNUAL REPORT AND ACCOUNTS FOR THE YEAR 2009-10

Noting the recommendation of the Audit, Risk & Governance Committee, the statutory annual report and accounts for 2009-10 were approved subject to:

- 1) the title of the chart on page 14 being changed;
- 2) the insertion of a clarification relating to pension fund provision;
- 3) approval by the Executive Board of the Letter of Representation to Deloitte;
- 4) any minor typographical changes or corrections required by the auditors.

5 DELEGATION OF AUTHORITY

On the recommendation of the Audit, Risk & Governance Committee, the revised scheme of Delegation of Authority was adopted.

6 FINANCIAL PROCEDURES

On the recommendation of the Audit, Risk & Governance Committee, the revised Financial Procedures Manual was adopted.

7 DISPOSAL OF SOME PROPERTY AT BERKHAMSTED

[this minute has been amended for reasons of confidentiality]

Having considered a report by an independent Chartered Surveyor, and mindful of their obligations under s.36 of the Charities Act 1993, it was agreed that:

- 1) the Board was satisfied that the terms on which the property was to be leased were the best that could reasonably be obtained;
- 2) a 150 year leasehold interest in the Cottage, Green Barn, Ernest Lindgren House and part of ELH's single storey wing, would be granted to Hawk Ventures Ltd;
- 3) formal thanks be offered on behalf of the Board to Graham Garbis for negotiating such good terms for the BFI.

8 PROPOSED ABOLITION OF THE UK FILM COUNCIL

8.1 The Board noted a request from the Minister for Culture, Communications & Creative Industries to contribute to the debate about the future of the publicly-funded film landscape.

8.2 After careful consideration, and having considered what was in the best interests of the BFI as a charity and what action would best help us to achieve the charitable objects, it was agreed that:

- 1) the BFI would submit a proposal to adopt the production funds, and to suggest it should lead the development of strategy on distribution and exhibition (in the same way as had been done for screen heritage). This proposal should reflect the BFI's Charter objects and set out guiding principles (not hard criteria as to what would or would not be funded), and, particularly in production, would reflect the importance of additionality as a key principle. The possibility of a joint BFI/BBC/Channel 4 board to manage the funds for Arts Council England was also discussed. Amanda Nevill would draft a paper for DCMS proposing the adoption of the funds, that would be reviewed by Greg Dyke, Tessa Ross and Peter Watson.
- 2) The BFI would also submit a proposal to adopt education funds and lead on the development of strategy for this sector – the focus of this should be solely on education rather than training.

9 GOVERNANCE ARRANGEMENTS

9.1 The paper was noted. It was agreed that the objectives of the review would be:

- 1) to provide a legal structure that clearly protects the charitable status and assets of the BFI, in particular the National Collection;
- 2) to enable the BFI to deliver its Royal Charter objects as efficiently and effectively as possible;
- 3) to operate with as little government oversight as possible, commensurate with the need to be seen to use public money wisely and to be accountable for it;
- 4) to build in sufficient checks and balances that the charity should be properly regulated, without being overly burdensome;
- 5) to delegate as much work as possible to the lowest structural level of the organisation;
- 6) to have structures that are simple and with clearly-defined demarcation of responsibilities;
- 7) to enable the BFI to be more innovative and entrepreneurial in the way it delivers its objects by giving the Board the commercial powers (such as borrowing) that are necessary for this.

9.2 There was also agreement in principle to the creation of a two-tier structure of Patrons Board and Board of Trustees, to payment for the Chair (subject to the time involved to secure this, and noting that the present incumbent would not accept any payment for his role as Chair), and the need to ensure a proper voice for all the BFI's users. There was a

discussion about the role of membership within the BFI during which a range of views was presented.

9.3 It was agreed that Greg Dyke, Amanda Nevill and Paul Crake would produce a revised draft taking into account the issues raised in discussion, to bring back to the November meeting of the Board of Governors.

10 BFI FELLOWSHIPS

[this minute has been amended for reasons of confidentiality]

It was agreed that:

- 1) BFI Fellowships be awarded at the London Film Festival to Danny Boyle and to one other recipient to be announced;
- 2) the subsequent meeting of the Board of Governors would consider the remaining nominations, with one addition, and would review the process for awards.

11 SMALLER BUT WORLD CLASS

The paper was noted, and the Board discussed the implications and advantages of adopting a more entrepreneurial approach to the BFI's work. The Board noted the work of Richard Coughlin to support the Director in developing structure options; supported the need to minimise risk by appointing temporary high-level support to manage the Human Resources polices and trades union negotiations; but wished the Director to avoid appointing other management consultants. Recognising the damaging impact on staff morale of a drawn-out process, as well as the impact on the BFI's ability to deliver its public service objectives, the Board approved the Director's approach of making as many changes as rapidly as possible commensurate with having proper processes in place. The Board noted that the November meeting would need to make final decisions in the light of the settlement to be announced on 20 October as part of the Comprehensive Spending Review.

12 MANAGING A CONFLICT OF INTEREST: MICROSOFT

The paper was noted and it was agreed that:

- 1) the actions of the Board Secretary in approving an Agreement between the BFI and Microsoft were in the best interests of the BFI despite not following the approved procedure for managing a conflict of interest (caused by BFI Governor Ashley Highfield also being an employee of the Microsoft Group); and
- 2) it was in the best interests of the BFI that Ashley Highfield remain a Governor of the BFI.

The meeting closed at 1350.

Paul Crake
Board Secretary