

BRITISH FILM INSTITUTE
BOARD OF GOVERNORS

MINUTES

14 SEPTEMBER 2011

Minutes of the meeting held from 13:00 to 17:25 on 14 September 2011 at BFI Southbank, London SE1 8XT.

Present:

Greg Dyke (Chair)

Josh Berger *(For matters recorded under Minutes 1-14)*

Sir Christopher Frayling

Peter Foy

Ashley Highfield *(For matters recorded under Minutes 1-16)*

Matthew Justice *(For matters recorded under Minutes 1-17 & 19-20)*

Beeban Kidron *(For matters recorded under Minutes 1-17 & 19-20)*

Sir Howard Newby CBE *(For matters recorded under Minutes 1-16)*

Rt Hon James Purnell *(For matters recorded under Minutes 7-20)*

Tessa Ross CBE *(For matters recorded under Minutes 1-17 & 19-20)*

Libby Savill *(For matters recorded under Minutes 1-17 & 19-20)*

David Thompson

Cy Young

In attendance:

Amanda Nevill	Chief Executive
Tim Cagney	Deputy Chief Executive
Will Evans	Head of Business Affairs
Trevor Mawby	Director of Finance & Resources
Paul Crake	Board Secretary

In attendance for part of the meeting:

Heather Stewart	Creative Director of Cultural Programmes	<i>(For matters recorded under Minutes 1-16)</i>
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Sandra Hebron	Artistic Director of Festivals	<i>(For matters recorded under Minute 17)</i>
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1. APOLOGIES FOR ABSENCE

Shami Chakrabarti CBE

Tom Hooper OBE

2. DECLARATIONS OF INTEREST

- 2.1** Peter Foy and Amanda Nevill declared an interest as Trustees, and Paul Crake as Secretary, of BFI Trust, for the matters recorded under Minute 14; and Amanda Nevill declared an interest as a company director of British Film Institute (Big Screen) Limited in the matters discussed under Minutes 14 & 16. It was agreed that the nature of all these interests was such that none of these Governors or staff would be required to leave the room during these parts of the meeting.
- 2.2** Matthew Justice declared an interest as Chair of Film on PACT Council (the producers trade association) at the time the proposals were developed which were discussed under Minute 10. It was agreed that the nature of his interest was such that he would not be required to leave the room during this part of the meeting.
- 2.3** Josh Berger, Matthew Justice, Beeban Kidron, Tessa Ross and Libby Savill declared an interest in the matters discussed under Minute 18. It was agreed that these people would leave the room for this part of the meeting.
- 2.4** Also noted were the interests of most Governors in different aspects of the film industry and various related parties. It was agreed that the nature of these interests was such that (other than as set out in 2.3 (above)) none of these Governors would be required to leave the room during this meeting.

3. MINUTES OF PREVIOUS MEETINGS

The minutes of these meetings were approved as accurate records:

- a) the Board of Governors meeting of 16 June 2011;
- b) the Board of Governors Away-Days of 20 & 21 July 2011.

4. DEVELOPMENT BOARD

- 4.1** The minutes of the Development Board meeting of 11 July 2011 were noted.
- 4.2** It was agreed that:
- a) a formal committee of the Board was created to be responsible for Development, and it would be known as the International Development Council; and
 - b) Josh Berger was appointed Chair of that committee.
- 4.3** The Chair thanked Josh Berger for agreeing to take on the vital role.

5. HEAD OF FILM FUND

- 5.1** The resignation of Tanya Seghatchian as Head of Film Fund was noted, as was the very significant run of success that the Film Fund team had achieved under her leadership.
- 5.2** Amanda Nevill would consider what arrangements should be put in place to replace her, and would come back to the Board with proposals.

6. CHANGES TO THE ROYAL CHARTER

- 6.1** The paper by Paul Crake was noted, and the proposed amendments suggested by Legal Counsel were discussed.
- 6.2** Noting that twelve Governors were present, and that this was more than three-quarters of the number of Governors in post, it was unanimously agreed to adopt the formal resolution as set out in the Annexe to these Minutes.

7. FORWARD PLAN [some of these minutes have been withheld for confidentiality purposes]

- 7.1** The papers were noted.
- 7.2** There was support for the four “big issues” emerging from the task groups (viz: a lifelong relationship with film; investing in innovation and risk; championing British film and British talent; and universal access to a diversity of film opportunities).
- 7.3** It was noted that a BFI brand needed to be developed for the lifelong relationship work, and that innovation needed to be removed as a specific concern of Distribution & Exhibition and, instead, should be an overarching theme. The Distribution & Exhibition paper required further work.
- 7.4** Some concerns were expressed that the BFI remained too London-centric as an institution and that this issue was not fully addressed in the papers.
- 7.5** Creation of content was a critical concern of the BFI, and consideration should be given to the word “research” being included in the list of content types (data, information, etc).
- 7.6** There should be reference in the Distribution & Exhibition section to the role of education in audience development (and education should also figure in the international work).
- 7.7** An education proposal would be developed, in conjunction with existing Education organisations, to persuade the Department for Education that Industry financial support was dependent on continuing financial resources from the DoE. The final proposal would need to be accepted by DoE before the end of October if it was to be included in the pre-Budget report, and earlier if it was intended to be taken up by the Henley Review.
- 7.8** Tim Cagney would plot a detailed timeline for the remainder of the Forward Plan programme.
- 7.9** The Board asked to be given at the November meeting three broad options for the delivery of the emerging vision, to enable strategic choices to be made and spending priorities to be focussed.

8. SKILLS TASK GROUP

- 8.1** The paper by Tim Cagney was noted.
- 8.2** A number of issues were raised including the need: continue to complement the work and financial resources leveraged by Skillset the Sector Skills Council; using current workforce needs analysis data to focus our attention on areas where the market or other providers were failing and the BFI’s limited resources could be focussed to make a significant impact; to consider the attitude of universities to

film studies and, if this was considered important, to review existing research demonstrating the effectiveness of these studies at secondary level; and using data developed by Skillset, to construct the Screen and Film Academy network, to consider which institutions are currently the most successful at producing creative and technical talent and to focus support on those.

8.3 It was agreed that these issues would be considered before the second paper on Skills was presented to the Board.

8.4 It was also felt there would be merit in having a separate Board discussion on the UK infrastructure for film schools (and other institutions that produce film-making talent), specifically including a comparison with the world class status of the best British art schools.

9. PRODUCTION TASK GROUP

9.1 The paper was noted. Following Tanya Seghatchian's resignation it was agreed that Amanda Nevill would chair the Task Group.

10. DEVELOPING A BFI RESPONSE TO THE PACT PROPOSALS

10.1 The paper and presentation by Will Evans was welcomed.

10.2 It was noted that PACT were currently involving representatives of writers and directors in the further development of their proposals and this was welcomed.

10.3 There was discussion about the extent to which funding arrangements seemed to be moving away from a link between risk and reward, and the question was raised about the BFI's fundamental policy objective – and that the policy instruments should be designed to achieve this. There was general agreement to the principle that benefit should be shared with writers and directors as well as producers, and that some recoupment should always come back to the BFI.

10.4 The Board agreed that as yet there was insufficient evidence to measure the success of the introduction of the producer entitlement corridor just over 12 months ago. The Board would want to understand its impact before considering any further changes, especially given the need for an evidence base before any proposed changes could be put to the European Commission under State Aid rules.

10.5 The Board further felt that more creative thinking needed to be brought to this area (for instance, to a consideration as to whether it might be possible or desirable for Lottery money to be used to cash-flow the Tax Credit, or whether a producer's deferred fees should be paid back before equity recoupment).

10.6 Given the conflicts of interest faced by many Governors over these proposals, the next time this issue was on the agenda there would be a discussion with all present (in order for the expertise of those involved as users to be shared with the Board), followed by a discussion without those conflicted Governors present; any decision which needed to be taken by the Board would also be made without the conflicted Governors present.

11. INTERNATIONAL STRATEGY

11.1 The report by Tim Cagney was noted and the Terms of Reference for the Task Group were agreed.

12. FEEDBACK FROM CONSULTATIONS ON EDUCATION, AUDIENCE DEVELOPMENT & HERITAGE

- 12.1** A presentation by Heather Stewart was noted.
- 12.2** It was agreed that the recommendations on intellectual property law set out in the Hargreaves Report would be commended to the Film Policy Review.

13. TRANSITIONAL ARRANGEMENTS

- 13.1** The paper by Tim Cagney was noted.
- 13.2** It was agreed that the transitional arrangements put in place to fund third parties during the 2011-12 year would be extended into 2012-13 for both Lottery schemes and grant-in-aid awards.
- 13.3** It was noted that a separate proposal relating to Film Club may need to be brought to the Board at a future date.

14. STATUTORY REPORT AND ACCOUNTS 2010-11

- 14.1** The audited statutory accounts and the annual report for 2010-11 were discussed and the recommendation to adopt them from the Audit, Risk & Governance Committee was noted.
- 14.2** It was agreed to adopt the audited statutory accounts for 2010-11.
- 14.3** It was agreed that the draft Letter of Representations to the Auditor should be signed by a Governor and the Chief Executive on behalf of the Board of Governors.
- 14.4** It was agreed to adopt the annual report subject to swapping the titles of the graphs shown on p.5, and on p.23 in the report (on the actuarial gains on defined pension schemes) changing the figure for the decrease in the net deficit from £11.2m to £17.7m.

15. DELEGATION OF AUTHORITY TO AWARD A CONTRACT FOR WORKS AT THE BFI NATIONAL ARCHIVE, BERKHAMSTED

- 15.1** The paper by Sarah-Jane Lucas was noted.
- 15.2** Given the time constraints on the spending of the balance of the Screen Heritage UK money it was agreed that:
- a)** authority was delegated from the Board of Governors to the Chief Executive to award a contract for works at the BFI National Archive at Berkhamsted to the successful tenderer, up to a value of £1.5 million or the amount remaining unspent in the SHUK programme (whichever was smaller);
 - b)** the Board Secretary or, in his absence, the BFI's Legal Counsel was authorised to affix the Common Seal for the award of this contract on these terms, and to counter-sign to authenticate the use of the Common Seal on behalf of the Board.

16. CHIEF EXECUTIVE'S REPORT

- 16.1** The paper by Amanda Nevill was noted.

- 16.2** It was noted that a number of tenders had been received for the operation of the BFI Imax.
- 16.3** It was also noted that an approach had been received by a property company regarding the possible incorporation of a new BFI Film Centre in a major new development.
- 16.4** The management accounts were noted, and a revised full-year forecast would be presented to the next meeting of the Board.
- 16.5** The current state of discussions with DCMS regarding the various outstanding matters was noted.

17 BFI FELLOWSHIPS

- 17.1** The paper by Sandra Hebron was noted.
- 17.2** It was agreed that BFI Fellowships should be awarded to Ralph Fiennes for his contribution to British cinema, and to David Cronenberg for his contribution to world cinema.

Matthew Justice, Beeban Kidron, Tessa Ross and Libby Savill left the meeting for the matters recorded under Minute 18 – Josh Berger had already left the meeting.

18. CONFLICTS OF INTEREST

- 18.1** The paper by Richard Brousson was noted, and it was also noted that a policy paper would come to the November meeting of the Board of Governors.
- 18.2** Having considered the payments and awards set out in the paper, it was agreed that:
- a) the payments and awards – to the direct or indirect benefit of Governors Josh Berger, Matthew Justice, Beeban Kidron, Tessa Ross and Libby Savill or to organisations with which they were associated – were in the best interests of the BFI;
 - b) it was in the best interests of the BFI that these people should remain Governors of the BFI; and
 - c) Legal Counsel should apply to the Charity Commission for an Order permitting the BFI to make these payments and awards.

19. DAVID THOMPSON

- 19.1** It was noted that David Thompson was unable to attend the November meeting of the Board of Governors, and that this would therefore be his last meeting. On behalf of the Board, Greg Dyke thanked David for his contribution to the BFI over the last three years.

20. BOARD SECRETARY PAUL CRAKE

- 20.1** It was noted that Paul Crake had given notice of his resignation as the BFI's Board Secretary, and that this would be the last occasion on which he would attend to the Board of Governors. On behalf of the Board, Greg Dyke thanked Paul for his contribution to the BFI over the last four years.

The meeting closed at 17:25.

Paul Crake
Board Secretary

BRITISH FILM INSTITUTE (THE 'BFI')

RESOLUTION TO AMEND ROYAL CHARTER

At a meeting of the Governing Body of the BFI held on 14 September 2011
IT WAS RESOLVED, in accordance with Article 15 of the BFI's Royal Charter, that the Royal Charter shall be amended on the terms set out below, subject to such changes as the Privy Council may require and which are agreed by the BFI's Governing Body:

Delete "the Institute" wherever it occurs in Articles 1-6, 11-14, 16 and 18 and substitute "the BFI".

Delete Article 2(ii) and substitute:

"the BFI shall not dispose of any part of its collections other than under an acquisition and disposal policy approved from time to time by the Governing Body, and nor shall the collections be transferred to the ownership or care of a third party; and".

After Article 3(b) insert:

- "(c) Without prejudice to the powers at law of the BFI, in furtherance of the objects, but not otherwise, the BFI shall have the following powers:
- (i) to raise funds and to invite and accept any form of funding, gifts, loans and any form of property;
 - (ii) to make grants and loans for charitable purposes on such terms and conditions as it sees fit, and to enforce, waive, vary, rescind or defer the terms and conditions of such gifts and loans;
 - (iii) to establish funds, including restricted funds, for particular purposes consistent with its objects;
 - (iv) to indemnify the Governors and any members of committees against personal civil liability for any act done honestly and in good faith in the course of the execution or purported execution of their duties and functions except where they have acted recklessly;
 - (v) to insure the property and activities of the BFI against any foreseeable risk and to take out other insurances as required;
 - (vi) to borrow money and, subject to consents as may be required by law, to mortgage or charge and of the BFI's property or future income as security for such borrowing;
 - (vii) to acquire, purchase, or otherwise take over any business or other undertaking, to accept transfers of assets, and to accept incur or discharge liabilities of any kind, and to amalgamate with any other body by absorbing it;

- (viii) to give guarantees and indemnities and to accept, undertake, execute and perform any trusts which be lawfully undertaken and are consistent with or conducive to the attainment of the objects;
- (ix) subject to the requirements of law relating to trustees, to invest moneys not immediately required for its purposes and to appoint and delegate powers to investment managers;
- (x) to employ and remunerate staff;
- (xi) to provide and maintain such pension arrangements as it sees fit;
- (xii) subject to this Our Charter to make regulations in respect of any aspect of the management and affairs of the BFI;
- (xiii) to cooperate with any person, body or organisation for purposes connected with the objects;
- (xiv) to do all such other things as may be deemed necessary for the purpose of attaining the objects.”

At the end of Article 4 insert “on such terms and for such periods as the Governing Body shall determine”.

Re-number Articles 5-8 as Articles 6-9 and delete former Article 9 currently marked “Deleted”.

After Article 4 insert:

- “5. (a) A Patron may resign their office at any time by notice in writing to the Board Secretary.
- (b) The office of Patron shall be vacated if they are removed from office by a resolution of the Governing Body passed by a majority of those present and voting (being an absolute majority of all the Governors).”

Delete “Chairman” wherever it occurs in Articles 7 and 8 and substitute “Chair”.

In Article 7 as re-numbered:

in Article 7(a):

after “Governors” where it occurs for the first time insert “(one of whom may be appointed Deputy Chair)”; and

after “Governors” where it occurs for the second time insert “(including any Deputy Chair)”; and

delete Article 7(b) and insert:

“(b) The Chair and the Deputy Chair shall be appointed by the Governing Body with the approval of the Secretary of State for Culture, Media and Sport. The Governing Body shall determine the terms of appointment of the Chair and Deputy Chair.”;

in Article 7(c) delete “Any appointment of a Governor by the Governing Body shall be subject to ratification by the Film Council before such appointment shall become effective.”;

in Article 7(d):

delete the first “Governors” and substitute “Governing Body”; and

delete “Article 6(f)” and substitute “Article 7(f)”;

in Article 7(e):

delete “Film Council” and substitute “remaining Governors”; and

delete “Article 6(f)” and substitute “Article 7(f)”;

in Article 7(f):

delete “Article 6(b)” and substitute “Article 7(b)”;

after “but may not serve” insert “continuously”; and

at the end insert “After ten years have elapsed since the end of their last term of office, an individual shall be eligible for appointment as if they had never before been appointed.”;

delete Article 7(g) and substitute:

“(g) A Governor may resign their office at any time by notice in writing to the Board Secretary.”;

in Article 7(h):

delete “he be” and substitute “(i) they are”; and

after “all the Governors)” insert “; or (ii) if they are absent without good reason for more than two successive ordinary meetings of the Governing Body”;

in Article 7(i):

delete the first “The” and substitute “Other than as set out in Article 7(j), the”;

delete both occurrences of “his” and substitute “their”; and

delete “him” and substitute “them”; and

after Article 7(i) insert:

- “(j) Subject to the consent of the Secretary of State for Culture, Media and Sport, the Chair of the Governing Body shall be paid a sum not exceeding £20,000 per annum (pro rata for a term of office which is less than one year) to remunerate them for their commitment to work an average of at least one day every week in their role as Chair. The actual amount to be paid shall be determined by the Governing Body and reviewed each year, in each case without the Chair present.”

In Article 9 as re-numbered:

after “powers” insert “and functions”; and

delete “Article 6(i)” and substitute “Article 7(i)”.

In Article 11:

in Article 11(a):

after “The Governing Body shall” insert “subject to the consent of the Secretary of State for Culture, Media and Sport”;

delete both occurrences of “Director” and substitute “Chief Executive”; and

at the end insert “A decision to dismiss the Chief Executive may only be made by a resolution passed by a majority of the Governing Body.”

re-number Articles 11(b) and 11(c) as Articles 11(c) and 11(d);

after Article 11(a) insert:

“(b) The Governing Body shall appoint a Board Secretary, at such remuneration and on such conditions as they shall think fit, and the Governing Body may from time to time entrust to and confer upon the Board Secretary such powers exercisable by the Governing Body as they think fit upon such terms and conditions and with such restrictions as they may determine and may from time to time revoke, withdraw, alter and vary all or any of such powers. A decision to dismiss the Board Secretary may only be made by a resolution passed by a majority of the Governing Body.”; and

after Article 11(d) as re-numbered insert:

“(e) The Chief Executive, Board Secretary and all other employees of the BFI shall be subject to an annual performance review conducted by or on behalf of the Governing Body and any concerns as to performance at any time shall be dealt with in accordance with the BFI’s disciplinary procedures.”.

In Article 12(b), after “audited by” insert “the National Audit Office or by”.

In Article 13:

after “safe custody” insert “by the Board Secretary”;

after “counter-signature of” insert “either the Board Secretary or”; and

after the second occurrence of “Governing Body” insert “or the Board Secretary”.

Signed: Dated:
Chairman

Signed: Dated:
Governor/Board Secretary