# **National Council Terms of Reference**

## Purpose

* 1. Arts Council England is a Non-Departmental Public Body established by Royal Charter. It is also a registered charity, subject to charity law. National Council is the non-executive board of Arts Council England. Its purpose is to govern and hold overall authority for Arts Council England. All members of National Council are trustees of the charity.

1.2 National Council is supported in fulfilling its role by Area Councils, Executive Board, and other Panels and Committees.

1.3 The five Area Councils provide a vital link between national strategies and policies and their implementation at the local level. The five Area Councils (North, South West, South East, London and Midlands) feed into National decision-making and make decisions on applications up to £800k per annum to join the National Portfolio from their area. (for more information on the role of Area Council see their terms of reference)

## Responsibilities

### Arts Council England’s Mission and Objectives

* 1. National Council is committed to its mission: Achieving great art and culture for everyone and to fulfilling the objects of Arts Council England as set out in its Royal Charter which is for the public benefit to:
  2. develop and improve the knowledge, understanding and practice of the arts;
  3. increase accessibility of the arts to the public in England; and
  4. advance the education of the public and to further any other charitable purpose which relates to the establishment, maintenance and operation of museums and libraries (which are either public or from which the public may benefit) and to the protection of cultural property; and
  5. advise and co-operate, where it is appropriate to do so, with the Departments of Our Government, Our Scottish Administration, the Northern Ireland Executive and the Welsh Ministers, local authorities, the Arts Councils and equivalent organisations in the museums and libraries sector for Scotland, Wales, and Northern Ireland (or their successors) and other bodies on any matter related to the objects.

*[Article 4 of the Royal Charter]*

### Governance, Organisational Structure and Values

* 1. National Council is responsible for the governance framework of Arts Council England and it decides on all matters related to Arts Council England’s non-executive governance including:
* decisions on delegation of its authority, National Council approves the scheme of financial delegation.
* decisions on the function and formation of area councils, especially the appointment of their members and determining the terms and conditions of their appointment.[[1]](#footnote-1)
* decisions on the function and formation of its standing and other committees and panels, including the appointment of their chairs and members.[[2]](#footnote-2)
  1. National Council decides on any questions affecting the Council's powers or obligations under its Charter and any questions affecting relations between the Council and the Government.
  2. National Council decides on any amendments to its regulations in accordance with the Charter.

* 1. National Council approves the funding or management agreement between the Government and Arts Council England.
  2. National Council approves plans for major structural changes and decides on any major changes in Art Council England's methods of operation[[3]](#footnote-3).
  3. National Council decides on issues constituting any material reputational risk to the organisation.

**Strategy and Business Planning**

* 1. National Council is responsible for the overall strategic positioning of Arts Council England, including decisions about its role, mission, functions, artistic and wider cultural strategy, investment and advocacy framework.

* 1. National Council approves the Arts Council plan and any externally published area plans.

### Financial, Risk and Performance Management

* 1. National Council decides on the budgets for the Arts Council’s main investment programmes.
  2. National Council approves the Annual Accounts, prior to submission to Parliament.
  3. National Council will receive regular updates on the deployment of financial resources and projected spend against the budgets set.
  4. National Council reviews the performance of the management of the organisation and will receive periodic reports on progress on achieving the organisations goals and on the impact of investments agreed.
  5. National Council will discuss the strategic risks to the organisation on an annual basis.
  6. National Council decides increases to existing capital programme budgets above £1 million.
  7. National Council is required to approve virements above £5 million between funding programmes.

**Investment Programmes and Decisions**

* 1. National Council approves, following consultation with area councils, frameworks for major investment or funding programmes such as the National Portfolio, Capital, and Strategic Funds Programme.
  2. During the National Portfolio (NPO) Investment Process, National Council decides on grants above an agreed limit (currently £800,000 per annum) to applicants. It is also responsible for maintaining a national overview of the portfolio and reserves the right, in exceptional circumstances, to make decisions on applications below the threshold (currently £800,000 per annum) and overturn an area council decision. Where a decision of an area council is overturned, National Council will inform the area council of its reasons for doing so.

* 1. Following the National Portfolio Investment Process, National Council takes the final decision on any re-assessment of an application, for instance where a complaint made by an unsuccessful applicant is upheld.
  2. National Council also approves:
* Individual capital programme awards for sums above £1 million
* Individual applications for development and investment fund grants where the grant value is above £5 million
* All other capital grants for sums above £5 million
* The instigation of a procurement and contract award where total contract value is above £5 million
* all capital programme grants variations and novations above £1 million

**Arts Council Collection [[4]](#footnote-4)**

* 1. National Council is responsible for safeguarding this nationally important collection on behalf of the Nation.
  2. National Council is responsible for ensuring that it is developed, used and maintained for the long-term public benefit and with reference to its wider responsibilities for collections and museums development and standards.
  3. Decisions on acquisitions have been delegated to the Collections’ Acquisitions Committee. National Council are represented on the Acquisitions Committee by providing the Chair, either directly by nominating a Member of National Council or by delegated responsibility to an appropriate senior member of Arts Council staff.

**Resources**

* 1. National Council decides on the following:
* Property transactions involving the disposal of an interest in the land (eg freehold and long-leasehold sale, grant of leases of more than 7 years, grant of rights and easements in land, surrender of leases, mortgaging or charging land)
* Any property transaction which exceeds £3 million in value, is high profile, contentious, unusual and out of the course of the Arts Council’s usual property dealings or may have reputational consequences for the Arts Council
* Any change to property interests at the Southbank Centre which are not permitted under the terms of the current lease

2.25. National Council may, if it so wishes, provide agreement in principle to the above matters and delegate the detailed signing off to the Chief Executive or Executive Board.

## Authority

* 1. National Council has established committees and area councils to which it delegates authority for areas of work.
  2. National Council bears the ultimate responsibility for decisions taken on its behalf, and for the allocation of grants.

* 1. National Council delegates to the Chief Executive, who is also the Accounting Officer, and Executive Board responsibility for the day-to-day administration and management of the Council's business within the framework agreed by the Council.
  2. National Council is responsible for ensuring that equality and diversity implications are considered on all matters that it decides.
  3. National Council will undertake a review of its own effectiveness at least once a year.

1. **Frequency of meetings**
   1. National Council meets around 6 times a year. National Council holds at least one meeting each year outside London. During the crisis period of Covid-19, please check the below section 7 for adjustments to meeting frequency.
2. **Membership**
   1. National Council comprises of up to 15 members appointed by the Secretary of State for Culture, Media and Sport in consultation with the Chair of Arts Council England.[[5]](#footnote-5) One of these members is the National Chair, five are members who also hold specific area responsibilities. Members will represent a range of artistic, cultural and other interests and experiences.
   2. Members of National Council are bound by the principle of collective responsibility.

## Quorum

* 1. The quorum for a meeting of National Council is seven[[6]](#footnote-6).

## 

1. Decisions about the formation of area councils are subject to the approval of the Secretary of State, who may direct Arts Council England to consult specific individuals or groups about its proposals to change the current configuration of area councils. [↑](#footnote-ref-1)
2. The Chair of the London Area Council is appointed by the Mayor of London who also appoints 4 members to the London Area Council. [↑](#footnote-ref-2)
3. Remuneration Committee has delegated authority to approve the creation or deletion of Executive Director roles. [↑](#footnote-ref-3)
4. As agreed by National Council on 11 December 2014 [↑](#footnote-ref-4)
5. The Chair of the London Area Council is appointed by the Mayor of London, but the appointment is subject to the approval of the Secretary of State for Culture, Media and Sport. [↑](#footnote-ref-5)
6. The quorum figure was reduced at the 15th April 2020 National Council meeting to ensure the effective operation of the Arts Council’s essential committees during the Covid-19 lockdown. [↑](#footnote-ref-6)