

# Minutes National Council



Date	Monday 26 <sup>th</sup> September 2022
Time	11am-5.15pm
Location	Microsoft Teams

Present:	Sir Nicholas Serota (Chair)	Chair of Arts Council England
	Helen Birchenough	South West Area Council Chair
	Roni Brown	South East Area Council Chair
	YolanDa Brown	National Council Member
	Bill Bush	National Council Member
	Sukhy Johal MBE	Midlands Area Council Chair
	Ruth Mackenzie CBE	London Area Council Chair
	Elisabeth Murdoch CBE	National Council Member
	Andrew Miller MBE	National Council Member
	Jamie Njoku-Goodwin	National Council Member (Items 1-5 and 7-11)
	Abigail Pogson	National Council Member
	Paul Roberts OBE	National Council Member
	Deborah Shaw	National Council Member
	Baroness Fleet (Veronica Wadley CBE)	National Council Member
	Kate Willard OBE	North Area Council Chair

Apologies: None received

Also Present:	Darren Henley CBE	Chief Executive
	Liz Bushell	Executive Director and Chief Financial Officer
	Laura Dyer MBE	Deputy Chief Executive Places, Engagement & Libraries Executive
	Simon Mellor	Deputy Chief Executive, Arts and Museums
	Mags Patten	Executive Director, Communication and Public
	Francis Runacres, MBE	Executive Director, Enterprise and Innovation
	Richard Russell	Executive Director and Chief Operating Officer
	Emma Bearchell	Project Manager, CRF Investment
	Jane Dawson	Director, Funding Programmes
	Michelle Dickson	Director, Strategy
	Eddie de Souza	Director, Investment Operations and Resources
	Alex Middleton	Senior Manager, Funded Organisations
	Claire Mera-Nelson	Director, Music and London
	Tharsini Joganathan	Director of Legal Services

## National Council – 26<sup>th</sup> September 2022

Ruth Alaile	Director, Governance and Planning
David Bryant	Senior Governance Officer (minutes)
Eliza Burrows	Officer, Governance (minutes)
Bradley Hackett	Apprentice, Governance (observer)

**1. WELCOME AND APOLOGISES**

- 1.1 The Chair welcomed all attendees to the meeting.
- 1.2 There were no apologies.

**2. INTRODUCTION**

- 2.1 The Chair explained that the purpose of the meeting was to receive and discuss the draft proposed National portfolio and narrative. This will inform a balanced view which would assist at the final decision meeting in October. He reiterated that no decisions were being made today, and that both the content of the presentation and the subsequent discussion should remain confidential.
- 2.2 The paper listing Members and the Executive's current Declarations of Interest (including guidance on Standards of Conduct) was noted.
- 2.3 The Chair reiterated that the accuracy of the Register is of particular importance, and that legal advice was available during the meeting regarding any potential conflicts of interest or conflicts of loyalty.
- 2.4 He also reminded members of the Seven Principles of Public Life.

**3. DECLARATIONS OF INTEREST**

- 3.1 National Council members were asked to declare any additional interests or relationships which were not on the list.
- 3.2 The following additional declarations were made and noted:

Jamie Njoku-Goodwin	Glyndebourne Productions: Jamie is a current board member at London Philharmonic Orchestra (LPO), and LPO is the orchestra for Glyndebourne.
YolanDa Brown	Glyndebourne Productions: YolanDa is on the Advisory board at LPO, and LPO is the orchestra for Glyndebourne.
- 3.3 No further declarations were made.

#### **4. PURPOSE OF THE MEETING AND THE PROCESS SO FAR**

- 4.1 Simon Mellor introduced this item which provided Council members with an outline of the funding process so far. He reiterated that the purpose of the meeting is to review the proposals, considering Area Council comments, and to look at the set of proposals for Investment Principles Support Organisations (IPSO), Transfer Organisations and Over £1 million organisations.
- 4.2 Members were informed that there is a two-stage process for the National Portfolio discussions: assessment, and balancing, before we get to the formal decision-making. During the assessment stage each individual application is examined on its own merits against set criteria. During the balancing stage applications are considered together to assess which applications are most valuable in achieving the overall strategic aims of building a strong portfolio that is more representative and delivers against our balancing criteria. This meeting is to test National Council's views on whether the proposed National portfolio is representative in terms of geography, priority places and levelling up for culture places, has representative and appropriately diverse leadership and governance and covers a wide range of creative and cultural provision.

#### **5. NATIONAL OVERVIEW AND ANALYSIS**

- 5.1 Simon Mellor presented this item and highlighted that this National Portfolio round is the first major set of investments for Arts Council England to deliver against Let's Create.
- 5.2 The ambitions for the portfolio were outlined, which are for investment in a more representative portfolio which is well balanced across disciplines and types of organisations and better placed to deliver against our strategy Let's Create. It should also ensure Children and Young People (CYP) investment, and deliver the instructions issued by the Secretary of State.
- 5.3 Members were presented with the budget overview for this National Portfolio round. For 2023/2024 to 2025/26, there is an annual budget of £436 million, which is an increase of £20 million on the 2022/2023 budget. The initial budget division is £420 million to NPOs; £8.2 million to IPSOs, and £8 million to Transfer

organisations. For CYP, the ringfenced allocation is £9.1 million per annum.

- 5.4 In this round, Arts Council received 1723 applications (seeking £671,018,342 per year) [.....]  
.....]

*[Information has been withheld here in line with the requirements of **section 36(2)(b)(i) and (ii) of the Freedom of Information Act 2000 – disclosure would be likely to inhibit the free and frank provision of advice and the free and frank exchange of views for the purposes of deliberation.** This information details free and frank opinion and advice offered in open discussions. It is necessary for a certain amount of “safe space” to exist in order for officials to debate issues freely. Disclosure of these details would be likely to inhibit the future ability of officials to express themselves openly, honestly and completely.]*

- 5.5 Abid Hussain, Director Diversity, reminded members of Arts Council’s duty under the Equality Act and Equality Objectives. He provided members with a data analysis and highlighted the potential risks and challenges in relation to the recommended portfolio.
- 5.6 The Area Council Chairs provided members with an overview of emerging portfolios from their areas following the Area Council NPO Testing meetings.
- 5.7 Overall Area Councils were content with the direction of travel, noting that the proposals would make a strong contribution to Let’s Create.

*(Jamie Njoku-Goodwin left the meeting)*

## **6. RISKS AND ISSUES**

- 6.1 Darren Henley outlined the outstanding risks and challenges, which included whether the proposed investment in museums is sufficient and whether we are supporting enough organisations who have a

strong international and export offer. In addition, he also noted the risks and challenges of reaching organisations who specialise in the use of new technologies, and also those who reach Children and Young People. They included the impact of the reduction in the London, a concern for the impact on organisations leaving the portfolio, while noting that the funding agreements are clear that grants are time limited. He also referred to the disability statistics, and the impact of inflation on the sector.

*(Jamie Njoku-Goodwin joined the meeting)*

## **7. DISCUSSION OF APPLICATIONS**

- 7.1 Simon Mellor introduced this item. It was noted that a number of members had declared interests or associations with NPO applicants as set out in their published registers of interest.
- 7.2 Members were provided with an overview of the organisations that had applied and whether it was proposed that they be funded or not, and if the proposal was to fund, whether the applicant should receive what they applied for, or if the amount was being varied. National Council were reminded of the aims and ambitions of “Let’s Create”.
- 7.3 Members offered the view that it would be important to consider the financial resilience of organisations leaving and joining the portfolio given the current economic backdrop and that this should be a key discussion during the funding agreement negotiation process.
- 7.4 National Council had a broad discussion about the portfolio’s impact on international activity including cultural imports and exports.
- 7.5 Michelle Dickson provided National Council with an update on Transfer organisations, noting that 59 organisations had applied. The applications were generally strong and supported London based organisations to develop their reach and offer outside of the capital. The residual risks were raised.

- 7.6 IPSO organisations were discussed. National Council were informed that 58 applications had been received for a total of £14,808,866.
- 7.7 Laura Dyer provided members with information about the applicants to the National portfolio of organisations applying for more than £1 million. Members questioned the Executive on the proposals and discussions were held about a number of themes and applications. Where a member had a high-risk conflict of loyalty/ conflict of interest, they did not participate in the discussion/left the meeting.
- 7.8 Members noted that there was a good spread of applications in terms of geography and artform and noted the diversity statistics. However, the value of the applications exceeds the budget available, which will result in difficult decisions having to be made about organisations who are delivering work of a good quality.
- 7.9 National Council asked for further information to come to the decision-making meeting in October which provided guidance on the broader impact of the portfolio, particularly in relation to organisations whose work has a national impact.
- 7.10 Members agreed that a further discussion should be had on applicants that have requested the largest grants in the portfolio, as well as opera and orchestras; it was agreed to hold this meeting on 30<sup>th</sup> September.

## **8. PROGRAMME BUDGET ALLOCATION**

- 8.1 Liz Bushell presented an update on budgets. Liz explained that in view of the volume of applications and the level of demand for funding that Executive Board had looked again at budgets, and in particular the Reset Budget. They are recommending that £28 million from the £54.8 million Reset budget is transferred to the Investment Process Budget. There has also been a review of grants and budgets to identify fall-ins, and a possible £15 million of lottery funding had been identified that could be added to the contingency.

- 8.2 National Council agreed with the approach, and members noted that they will be asked for formal agreement in a paper circulated on 29 September 2022.

*(William Bush and Elisabeth Murdoch left the meeting)*

## **9. COMMUNICATIONS**

- 9.1 Mags Patten provided a brief update on the communication plan. It was noted that there would be further discussions on the communication plan when the shape of the portfolio becomes clearer.

*(Ruth McKenzie left the meeting)*

## **10. NEXT STEPS**

- 10.1 National Council members were asked to note that the decision meeting for the final portfolio will be taking place on 19<sup>th</sup> October 2022.
- 10.2 Following the decisions taken then, successful organisations will be given a conditional offer for funding for 2023-2026, subject to the negotiation of their funding agreement.

## **11. ANY OTHER BUSINESS**

- 11.1 There was no additional business.

The meeting closed at 17:15.