Executive Board Terms of Reference

1. Purpose

1.1 Executive Board assists the Chief Executive and Accounting Officer in the performance of his duties. It is responsible for developing and implementing the Arts Council’s policies and strategy. It is also accountable for the operational and day to day management of the organisation.

1.2 Its role includes:

- the development and implementation of strategy, operational plans, policies, procedures and budgets;
- the appointment and management of staff
- the monitoring of operating and financial performance;
- the assessment and control of risk;
- the prioritisation and allocation of resources; and
- supporting the Chair and Council in fulfilling their role and responsibilities as set out in this governance framework.

2. Responsibilities

Governance, Organisational Structure, Culture, and Values

2.1 Executive Board recommends the executive and non-executive governance framework to National Council.

2.2 Executive Board is responsible for the overall organisation, management and staffing (below executive board level) of the Arts Council. It is responsible and accountable for maintaining an overview and making decisions on employment and people management. It approves policy and arrangements relating to pay and other aspects of reward, pensions and staff development. It approves the Arts Council’s people and culture strategy and monitors and receives regular reports on progress. It oversees the relationship between management and recognised unions. It has delegated responsibility for a number of operational HR matters to the Deputy Chief

---

1 Arts Council staff are subject to levels of remuneration and T&C’s within the general pay structure approved by DCMS. These T&C’s are subject to an agreed annual pay negotiating remit subject to the agreement of the DCMS and in line with Public Sector Pay policy guidelines issued by Treasury.

Agreed July 2013, last reviewed October 2015
Governance Handbook Section 2 (J)
2.3 Major changes to the Arts Council’s method of operations require the approval of Council, Executive Board is responsible for planning and recommending to Council major changes in the Council’s methods of operation.

2.4 Executive Board agrees the creation of any new senior manager or director posts. It has delegated responsibility to approve changes in the budgeted staff establishment below grade B level for permanent and fixed term posts for more than six months to the Deputy Chief Executive’s Operations Management Group, and for fixed term posts up to six months to the Director of Finance and Corporate Services and/or the Director of Finance and Director of HR.

**Strategy and Business Planning**

2.5 Executive Board is responsible for developing and recommending long, medium, and short term goals and strategies for delivering the Arts Council’s mission as set out in its Royal Charter, having regard to the Arts Council’s statutory and other legal duties, the interests of the sector, key partners, audiences and the needs of particular communities.

2.6 Executive Board is responsible for developing and recommending to Council the Arts Council and any area plans. It approves all other official Arts Council outward facing plans and policies or external statements e.g. responses to a Government consultation. It can delegate this responsibility to an individual executive director or director. For example, it has delegated responsibility for signing off individual consultation responses to the Director of Policy and Research who in accordance with the policy consultation protocol decides on whether the decision should be escalated to an executive director or Executive Board.

2.7 Executive Board is responsible for implementing agreed plans and strategies and for providing Council with regular reports on progress.

2.8 Executive Board recommends equality objectives and plans to National Council for approval. It also ensures that the agreed equality objectives are embedded into all relevant department and delivery plans in the organisation. It is accountable for the delivery of those objectives.

---

2 For further details see the DCE Operations Management Group Terms of Reference.

3 Changes involving significant organisation-wide implications require Executive Board approval.
2.9 Executive Board is responsible for approving the Arts Council’s research strategy.

**Financial, Risk and Performance Management**

2.10 Executive Board is responsible for recommending to National Council high level administration and programme three year and annual budgets and for monitoring expenditure and the deployment of financial resources, reporting any significant variances to National Council.

2.11 Executive Board is responsible for approving the detailed breakdown of the administration and programme budgets.

2.12 Executive Board is responsible for the preparation of the Annual Report and Accounts for Performance and Audit Committee’s consideration and National Council approval.

2.13 Executive Board is responsible for maintaining an executive overview of internal and external audit. It has delegated responsibility for providing management responses to the findings of internal and external auditors to the Deputy Chief Executive Operations Management Group.

2.14 Executive Board is responsible for providing executive level overview of strategic and operational risk management and providing assurance about risk management to the Performance and Audit Committee and National Council. The Deputy Chief Executive Operations Management Group supports it in this role.

2.15 Executive Board shares responsibility with Council for ensuring that the Arts Council is compliant with its legal and regulatory framework.

2.16 Executive Board is responsible for providing National Council with monitoring reports on:
   - stakeholder relations
   - delivery of the Arts Council plans

2.17 The Deputy Chief Executive on behalf of Executive Board can approve virements of less than £3 million between programme budgets. The Director of Finance and Corporate Services on behalf of Executive Board can approve virements between administrative budgets.
2.18 Executive Board can approve increases to existing GFTA and lottery budgets up to £1 million.

2.19 Executive Board approves individual contracts funded by the administration budget between £500,000 to £3,000,000.4

2.20 Executive Board can approve acquisition and disposal of leases not reserved to National Council, minor changes to a lease the Arts Council has issued and provide consent to matters arising out of Arts Council issued leases, to include consent to erection of temporary structures, signage, minor alterations, service wayleaves etc. Executive Board can also approve and provide detailed sign off on matters delegated to it by National Council where National Council have given prior agreement in principle.5

2.21 Executive Board authorises changes to Arts Council England’s bank account signatories.

2.22 Executive Board is responsible for approving the Arts Council’s Health and Safety Policy.

**Investment Programmes and Decisions**

2.23 Executive Board is responsible for developing and making recommendations to National Council on the Arts Council’s main investment programmes (i.e. Capital, Funded Organisations, Strategic Funds), having sought advice and input from area councils on key aspects of the programme like their objectives and decision-making criteria.

2.24 Executive Board has the authority to approve large scale lottery capital grants

---

4 Approval from the Efficiency and Reform Group in the Cabinet Office required for all ICT contracts over £5m and specifically ICT contracts over £1m on systems supporting administration or upgrades and hosting contracts for such systems.

5 Approval for leases over £100,000 can only be given by the Chief Secretary to the Treasury. DCMS approval required for disposals of assets ≥1m. All GiA Administration capital projects are subject to DCMS investment appraisal processes. Capital expenditure exceeding the Arts Council’s delegated capital limit, i.e. ≥2m, requires DCMS Investment Committee approval. Project must be referred to DCMS for approval at three stages of development, as set out in guidance issued by DCMS.
between £500k and £1 million. It has delegated authority for small scale capital grants up to £500k to the Area Management Teams.

2.25 Executive Board has authority to approve grants under the Strategic Funding Programmes below £3,000,000. It can delegate this authority to individuals and groups of staff see the Arts Council *Scheme of Delegated Financial Authority* for further details.

2.26 Executive Board has authority to approve Grant-in-aid capital grant allocations to funded organisations, outside the triennial funded organisation investment process. It can delegate this authority to individuals or groups of staff see the Arts Council *Scheme of Delegated Financial Authority* for further details.

2.27 Executive Board can grant variations and novations to a single organisation within the terms of its financial delegated authority, providing the proposed increase in the value of the grant to the organisation does not exceed Executive Board’s delegated financial authority.6

2.28 The Deputy Chief Executive on behalf of executive board is responsible for decisions on intervention in accordance with intervention protocol in consultation with the relevant area director and area council chair

2.29 Executive Board has the authority to approve the solicitation of lottery funded grants. It has delegated this authority to a subset of Executive Board, with the proviso that one of the members required to approve the use of a solicited process should be the Deputy Chief Executive.

2.30 Executive Board has authority to approve other grants not specifically reserved to National or Area Councils.

3. **Delegated Authority**

3.1 Executive Board has delegated authority to carry out activities within these terms of reference. It should ensure that the equality and diversity implications of relevant decisions are considered.

---

6 Decisions to increase a capital award are subject to the Arts Council's protocol on increasing capital awards (2012)
3.2 National Council has delegated responsibility for the day-to-day management of the Arts Council to Executive Board, where a matter is not specifically reserved to the Council, Executive Board has authority to act.

3.3 Executive Board has the authority to delegate matters within its terms of reference to individuals, groups of members of staff, and others.

3.4 The schedule of financial delegated authorities corresponds to these terms of reference, but should be referred to for a broader overview of financial delegated authority.

4. Reporting Line

4.1 Executive Board is accountable to the Chief Executive and National Council for how it discharges its role.

5. Membership

5.1 The Executive Board shall comprise the Chief Executive, Deputy Chief Executive, all executive directors, the Chief Finance Officer and the National Director Advocacy and Communications. (Other members of staff may be invited to attend meetings on an adhoc or regular basis).

5.2 Executive Board meetings are chaired by the Chief Executive or, in his absence, by the Deputy Chief Executive who will deputise on his behalf. Otherwise meetings may also be chaired by a nominee who is a member of the Board and is:
   - delegated by the Chief Executive or;
   - nominated and confirmed by the Executive Board itself.

5.3 In the event of an absence, a deputy may attend on a member's behalf. Deputies are not taken into account for the purposes of identifying a quorum nor, in the exceptional case of voting, do they carry a vote. Other members of staff may be invited to attend for particular items

6. Meetings

6.1 Meetings will be held on a monthly basis, or as often as required.
6.2 Meetings of Executive Board are subject to the provisions of the Arts Council’s Council Regulations which specify the procedures to be followed in the Arts Council’s formal decision-making meetings.

7. **Declarations of interest**

7.1 The Arts Council’s Code of Ethics for staff contains its policy on declarations of interest. This policy applies to the procedures to be followed at Executive Board meetings. Members must manage and declare their interests appropriately.

8. **Quorum**

8.1 The quorum shall be 4 members.
Deputy Chief Executive’s Operations Management Group Terms of Reference

1. Purpose

1.1 Executive Board has delegated responsibility for aspects of HR and all other corporate operational policies and significant organisation-wide procedure notes to the DCE Operations Management Group. The DCE Operations Management Group is also responsible for overseeing significant organisation-wide projects and routine operational business activity. It approves guidance and business processes for Strategic Funds ahead of their launch. It oversees operational risk registers and formally agrees management responses to internal audit findings on behalf of Executive Board.

2. Responsibilities

Operational Policies

2.1 The group is responsible for agreeing operational policies, following consultation by the relevant directors or project leads within the organisation.

2.2 The operational policies that fall under the group’s remit include:
- All HR policies apart from pay and rewards, pensions and learning and development
- Staff and Council Member Expenses Policies
- Estates and Accommodation Policies
- Finance and Procurement Guidelines
- Information Management Policies
- The Arts Council’s internal approach to environmental sustainability
- Any meetings and travel policies
- IT Policies

[N.B :This is not an exhaustive list, there may be additional policies which are deemed to fall within the group’s remit]

Investment Policies and Procedures
2.3 DCE OMG has delegated authority to approve investment policies and procedures.7

2.4 It is responsible for ensuring that National Strategic Grant programmes are designed to deliver the objectives agreed by Executive Board and that they comply with all relevant rules and regulations. It approves the criteria, other aspects of the guidance; and assessment and decision-making processes for strategic grants and strategic grant programmes.

**Governance and assurance**

2.5 The group supports the Arts Council's assurance framework by overseeing:
   - Business Continuity Planning;
   - The Arts Council's operational risk registers.

2.6 The group reviews the outcome of internal audit, agreeing management responses to internal and external audit findings and by ensuring that key internal audit recommendations are implemented.

**Staffing Changes**

2.7 The group also approves regradings and the creation of new posts below grade B level (permanent and fixed term for more than six months), unless it involves significant organisation-wide implications in which case the decision is to be referred to Executive Board.8

---

3. **Delegated Authority**

3.1 DCE OMG has delegated authority to act within these terms of reference.

3.2 DCE OMG is responsible for ensuring that equality and diversity implications are considered in all matters they decide.

4. **Reporting Line**

4.1 Papers relating to the formal business of the group’s meeting will be circulated in

---

7 This responsibility is shared with Executive Board who can also approve investment policies and procedures and the design of significant programmes like the National Portfolio, Grants for the art, Capital Programme and any others that are novel or contentious or in the opinion of the Deputy Chief Executive or the Director of Investment ought to be decided by Executive Board.

8 Added March 2015
advance of the meeting and to members of Executive Board.

4.2 The Deputy Chief Executive is responsible for briefing Executive Board, as required, on significant issues raised by the Operations Management Group.

5. **Membership**

5.1 The Deputy Chief Executive’s Operations Management Group has the following list of members:
- Deputy Chief Executive (Chair)
- Director Investment
- Director Finance and Corporate Resources
- Director of Policy and Research
- Director Media and Stakeholder Relations
- Director Governance and Planning
- Senior Manager Operations and Policy
- Senior Manager, Museums
- Area Director (on rotation)
- Senior Manager Operations (on rotation)

6. **Meetings**

6.1 The business conducted at each meeting is determined by the Chair. The formal business of the Deputy Chief Executive Operations Management Group meetings is subject to the provisions in the Council’s *Regulations* which govern the conduct of formal decision-making meetings.

6.2 If the Chair is unable to attend the meeting she will either nominate another member of the group to chair the meeting or the members present will nominate a chair.

6.3 If a member is unable to attend a meeting, they may with the Chair’s permission arrange for a deputy to attend the meeting on their behalf.

6.4 The Secretariat for the formal part of the group’s business will be provided by the Governance team who will maintain a record of details of papers and formal decisions made by the group. It will also maintain an index of agreed policies to help ensure that there is an accurate record of the organisation’s corporate policies.
7. Quorum

7.1 The Quorum for meetings of DCE OMG is 5.

Last revised on 22\textsuperscript{nd} October 2015.