

---

# Governance framework

Version 02  
February 2019

## Contents

1 Introduction: the British Library.....	2
1.1 Statutory framework.....	2
1.2 Charitable purpose and objectives .....	2
1.3 Functions and activities.....	3
2 The Board .....	3
2.1 Board constitution and appointments.....	3
2.2 Role and responsibilities of the Chair .....	3
2.3 Role and responsibilities of (non-executive) Board members.....	4
2.4 Board Committees .....	5
2.4.1 Board Audit (and Risk Assurance) Committee .....	5
2.4.2 Remuneration Committee ('RemCo') .....	6
2.4.3 Capital Projects Committee .....	6
3 The Board's Scheme of Delegation .....	7
4 the Chief Executive and Accounting Officer .....	12
4.1 Responsibilities as Chief Executive .....	12
4.2 Responsibilities as Accounting Officer .....	13
<i>[5 The Executive Scheme of Delegation and operating decisions].....</i>	<i>14</i>
6 Financial delegations.....	16
7 The British Library Advisory Council .....	18
Appendix 1: Board Audit Committee Terms of Reference for 2018/19 .....	19
Appendix 2: Remuneration Committee Terms of Reference for 2018/19 .....	21
Appendix 3: Capital Projects Committee Terms of Reference for 2018/19 .....	23

## 1 INTRODUCTION: THE BRITISH LIBRARY

### 1.1 STATUTORY FRAMEWORK

The British Library is the national library of the United Kingdom, formed in 1973 under Section 1(1) of the British Library Act 1972<sup>1</sup> ('the Act'). The Library is an exempt charity under the Charities Act 2011<sup>2</sup> and complies with the duty under section 17 to have due regard to public benefit guidance published by the Charities Commission.

Other legislation of particular relevance to the British Library includes the Legal Deposit Libraries Act 2003<sup>3</sup>, the Legal Deposit Libraries (Non-Print Works) Regulations 2013<sup>4</sup> and the Public Lending Right Act 1979<sup>5</sup>.

The Library is an executive non-departmental public body, an arm's-length body funded by a combination of Grant in Aid allocated by the Department for Digital, Culture, Media and Sport (DCMS) and income secured through commercial, fundraising, sponsored and charging activities. A management agreement letter<sup>6</sup>, signed by the Secretary of State for Digital, Culture, Media and Sport ('Secretary of State') and the Chair and Chief Executive of the Library, sets out the Library's Grant in Aid allocation and other conditions.

### 1.2 CHARITABLE PURPOSE AND OBJECTIVES

Section 1(2) of the Act placed the Library under the control and management of the British Library Board ('the Board'), a public authority whose duty is to manage the Library as "a national centre for reference, study and bibliographical and other information services in relation both to scientific and technological matters and to the humanities".

The statutory objectives of the British Library are set out under Sections 1(3) and 1(4) of the Act. The Library is required to make its services available to the public and, in particular, to institutions of education and learning, other libraries and industry. It may carry out and sponsor research, contribute to the expenses of library authorities or other persons providing library facilities, and make any part of its collections, or of its premises, available in connection with events of an educational, literary or cultural nature. Under Section 2, the Schedule to the Act empowers the Board to impose charges for any services provided, or for the loan or use of any item from its collections, subject to the approval of the Secretary of State.

The Library's management agreement letter sets out the Secretary of State's priorities for the Library during the current spending review period.

---

<sup>1</sup> See: <http://www.legislation.gov.uk/ukpga/1972/54/contents>

<sup>2</sup> See: <http://www.legislation.gov.uk/ukpga/2011/25/contents>

<sup>3</sup> See: <http://www.legislation.gov.uk/ukpga/2003/28/contents>

<sup>4</sup> See: <http://www.legislation.gov.uk/uksi/2013/777/contents/made>

<sup>5</sup> See: <http://www.legislation.gov.uk/ukpga/1979/10/contents>

<sup>6</sup> See: [http://www.bl.uk/aboutus/foi/pubsch/pubscheme2/BL%20Management%20Agreement%202016-2020%20\(DCMS%2007.03.17\).pdf](http://www.bl.uk/aboutus/foi/pubsch/pubscheme2/BL%20Management%20Agreement%202016-2020%20(DCMS%2007.03.17).pdf)

## 1.3 FUNCTIONS AND ACTIVITIES

*Living Knowledge* sets out the Library's vision for its future development as it looks ahead to 2023, the year of its 50th anniversary as the national library of the UK. *Living Knowledge* explains how the Library contributes to research, culture, education and economic prosperity, for the benefit not just of the UK but of users and partners around the world. The Library's mission is to "make our intellectual heritage accessible to everyone, for research, inspiration and enjoyment". *Living Knowledge* sets out six core statements of purpose for:

- **Custodianship.** We build, curate and preserve the UK's national collection of published, written and digital content.
- **Research.** We support and stimulate research of all kinds.
- **Business.** We help businesses to innovate and grow.
- **Culture.** We engage everyone with memorable cultural experiences.
- **Learning.** We inspire young people and learners of all ages.
- **International.** We work with partners around the world to advance knowledge and mutual understanding.

## 2 THE BOARD

### 2.1 BOARD CONSTITUTION AND APPOINTMENTS

Section 2 of the Act, and its schedule, sets out the constitution of the British Library Board, which is a body corporate with perpetual succession and a common seal.

Under the Act, the Board consists of a Chair plus between eight and thirteen other members, one of whom is appointed by HM The Queen and all others by the Secretary of State. At least one member must be full time. One part-time member must be a person who appears to have special knowledge of Scotland and is appointed after consultation with Scottish Ministers. One part-time member may be nominated by the trustees of the British Museum. The quorum of the Board is five. Each appointment may be for a term of not less than three years and not more than seven years. Members are eligible for reappointment at the end of their term. All members are remunerated under arrangements determined by the Secretary of State.

In recent practice, all have been part-time, non-executive members appointed for terms of four years, with the exception of the Chief Executive – who is the only full time, executive member of the Board, appointed for the maximum term(s) – and the Secretary of State has not appointed any non-executive member for more than two terms consecutively, i.e. for more than eight years at a time.

### 2.2 ROLE AND RESPONSIBILITIES OF THE CHAIR

The Chair is responsible to the Secretary of State for ensuring that the Library fulfils its statutory purpose as set out in the British Library Act 1972, that it complies with charity law, that where appropriate the Library's policies are consistent with those of the Secretary of State, and that the Library's affairs are conducted with probity. The Chair is also responsible for good governance and for leadership of the Board and the Library. Section 7 of the Library's management agreement with

DCMS sets out certain responsibilities and obligations to the Secretary of State. The Chair's main responsibilities include:

- Ensuring that the Library:
  - effectively fulfils its statutory objectives, general functions and duties and appropriately exercises its legal powers
  - is governed effectively, and is accountable to its stakeholders
  - delivers its services within its funding agreement;
- Advocating for the Library at the highest levels nationally and internationally, and representing the views of the Board to the general public, to Government, to potential donors and benefactors, and to other stakeholders
- Supporting the Library in securing the resources it needs to discharge its functions and duties effectively and efficiently
- Ensuring that Board members are fully briefed on their duties, responsibilities and obligations and ensures that the Board, in reaching decisions, takes proper account of guidance provided by DCMS and the requirements of charity law
- Chairing meetings of the Board, overseeing the development of its agenda in concert with the Chief Executive, setting the tone for meetings and managing the business of the Board and facilitating the contribution of Board members, ensuring constructive relations between the Board and executive
- Ensuring that the Board is working effectively and subject to regular review or self-assessment, also conducting informal performance reviews with each individual member of the Board
- Signing the accounts and other governing documents on behalf of the Board
- Leads the recruitment, appointment and (if appropriate) dismissal of the Chief Executive
- Mentors and manages the performance of the Chief Executive, including agreeing objectives and undertaking an annual appraisal
- May take urgent decisions on behalf of the Board, subject to ratification at the next Board meeting

### **2.3 ROLE AND RESPONSIBILITIES OF (NON-EXECUTIVE) BOARD MEMBERS**

The British Library Act 1972 defines the British Library Board as “a body corporate, with perpetual succession and a common seal”. Therefore the members of the Board share corporate responsibility for ensuring that the British Library complies with any statutory or administrative requirements regarding the use of public funds. Section 6 of the Library's management agreement sets out the Secretary of State's requirements and expectations of the British Library Board as a body corporate.

Members of the Board are not trustees of the British Library and are not personally responsible for the Library's financial liabilities, except in the case of negligence or criminal acts. However, members of the Board are trustees of the following British Library Trust Funds and have responsibility for their assets, liabilities and undertakings.

- Bespoke Adoptions Fund (formerly Adopt a Book)
- Bridgewater Fund
- Crum Bequest

- Dingwall Fund
- Dingwall No 2 Fund
- Fitzgerald Air Mail Fund
- Hazlitt Fund
- Panizzi Fund
- Ritchie Bequest
- Sir Adrian Boulton Fund
- Sir Henry Thomas Trust
- Shaw Fund
- The David and Mary Eccles Centre for American Studies
- T S Blakeney Trust

Board members' terms and conditions of appointment are issued by the Secretary of State (DCMS), with the exception of one member appointed by HM The Queen. Board members are expected to work to the highest standards of personal and professional behaviour, including the seven [Nolan] principles of public life. Section 8 of the Library's management agreement sets out the responsibilities that DCMS expects of individual members of the Board, as follows.

Individual Board members should:

- Comply at all times with the Board Members' Code of Practice and with the rules relating to the use of public funds and to conflicts of interest;
- Not misuse information gained in the course of their public service for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- Comply with the Board's rules on conflicts of interest and the acceptance of gifts or hospitality; and
- Act in good faith and in the best interests of the British Library.

## **2.4 BOARD COMMITTEES**

### ***2.4.1 BOARD AUDIT (AND RISK ASSURANCE) COMMITTEE***

The purpose of the Board Audit Committee is to provide independent advice and assurance to the Board and the Accounting Officer on the adequacy of arrangements and assurances regarding issues of governance, risk management and internal control. The Audit Committee's full terms of reference are attached as Appendix 1; its main responsibilities include the following:

- To review the effectiveness of the Library's internal control systems;
- To review and advise the Board on the Library's risk assessment and risk management process;
- To recommend the appointment and termination of employment of the internal auditors and to review the Library's internal audit service and the scope and nature of its work;
- To receive and review reports from the internal auditors;
- To review the Library's internal and external financial statements and reports;

- To review and advise the Board on the content of the governance statement in the Library's Annual Report and Accounts;
- To discuss with the external auditors the nature and scope of each audit and to promote the fullest co-operation of the Library's management and staff with the external auditors;
- To consider all relevant reports by the external auditor, including reports on the Library's accounts, achievement of value for money, and the response to any management letters;
- To report at least once a year to the Board on the discharge of the above duties.

#### **2.4.2 REMUNERATION COMMITTEE ('REMCO')**

The purpose of the Remuneration Committee is to make recommendations to the Board with regard to the compensation, terms and conditions of employment of the Chief Executive, and to approve the framework of compensation, terms and conditions of employment for all other staff. RemCo's full terms of reference are attached under Appendix 2; its main responsibilities include the following:

- to keep under regular review the terms and conditions of the Chief Executive
- to undertake an annual review of the Chief Executive's salary and performance bonus and make recommendations to the Board
- to consider the recommendations of the Chief Executive in relation to the annual review of the salary and performance bonuses of the Executive Team and similarly for any other equivalent paid senior staff
- to represent the Board in relation to considerations relating to the terms and conditions of all other Library employees and to approve the Library's annual pay remit on behalf of the Board
- to carry out any other review, and make any other recommendation, which in its opinion, or at the request of the Chief Executive, it believes to be relevant to the Board's statutory responsibilities in relation to the terms and conditions of the Library's employees.

#### **2.4.3 CAPITAL PROJECTS COMMITTEE**

The primary task of the Capital Projects Committee is to assist the Board in carrying out its oversight responsibilities with respect to achieving the St Pancras Transformed Programme objectives. Full terms of reference are attached under Appendix 3. The responsibilities of the Committee will include overseeing, challenging where appropriate, and obtaining necessary assurances from the Executive and its contracted advisers, in respect of all aspects associated with delivering the Programme, with particular focus on:

- identification, assessment and management of risks;
- monitoring and reporting;
- project or programme management and governance;
- business case and financial management;
- procurement, and the negotiation of contractual or leasing arrangements;
- planning for maintenance & repair, facilities management, security, and health & safety;
- contingency planning and provisions;
- benefits realisation strategies;

- other areas of assurance identified by the Committee, taking account of existing internal and external review processes.

### 3 THE BOARD'S SCHEME OF DELEGATION

Matters reserved to the Board	Matters delegated to Board committees	Matters delegated to the Chief Executive	Matters requiring DCMS consultation/approval
<b>1. Strategy, plans and budgets; business performance</b>			
Ensuring delivery of the Library's statutory and charitable purposes and objectives.	n/a	Day-to-day management of the British Library and its operations.  Delivery of the Library's statutory and charitable purposes and objectives.	Any proposal to change the Library's statutory or charitable purposes, objectives or status. The Secretary of State is the Library's 'principal regulator' under the Charities Act 2011.
Agreeing the Library's funding settlement and management agreement terms with the Secretary of State.	Audit Committee seeks assurance on the Library's compliance with terms set out in the management agreement.	Negotiating the funding settlement and management agreement terms with DCMS. Applying resources appropriately, complying with the agreed terms.	Agreeing the Library's funding settlement and management agreement terms, and the Secretary of State's priorities for the Library.
Determining overall strategic direction, approach, aims and objectives.	n/a	Preparing a vision, strategy, aims and objectives for the Board to approve.	Agreeing any significant deviations from the Library's agreed strategy and approach.
Approving the Library's financial strategy for at least the next 3 years or current Spending Review period.	n/a	Preparing and recommending a financial strategy for at least the next 3 years or current Spending Review period.	Receiving a copy of the Library's financial strategy. Forward planning for the next Spending Review.
Considering and approving other major (individual) strategies.	n/a	Preparing and recommending individual strategies.	Receiving assurance that strategies will deliver the Secretary of State's priorities for the Library.
Approving business decisions which might have a substantial impact on the Library's brand and reputation	n/a	n/a	Notification of any issues which are expected to have a substantial impact on the Library's reputation.
Approving the Library's annual financial budget and any significant changes.	n/a	Preparing the Library's annual operating and capital expenditure budgets for approval.	Being informed of the Library's annual budget and advice of any significant changes.
Approving the Library's annual corporate business plan and targets.	n/a	Preparing an annual corporate business plan and proposing targets for approval.	Being informed of the Library's major business objectives and targets.

<b>Matters reserved to the Board</b>	<b>Matters delegated to Board committees</b>	<b>Matters delegated to the Chief Executive</b>	<b>Matters requiring DCMS consultation/approval</b>
Approving major (externally reported) key performance indicators and targets.	n/a	Maintaining indicators, each with an appropriate target, and using them to manage performance.	Agreeing key and additional performance indicators within the management agreement.
Overseeing actual progress against the financial budget, business plan and performance targets, holding the Chief Executive to account.	n/a	Delivering and reporting actual progress against the financial budget, business plan and performance targets.	Early warning of any potential or forecast significant variances against budget. Advice of progress against major business objectives and targets.
Determining a policy for financial reserves and approving all accesses to reserves.	Audit Committee reviews other Finance policies on a regular basis, approving any updates or changes.	Ensuring that an appropriate level of reserves is maintained. Submit all requests for use of reserves to the Board for approval.	Early warning of any risks that the Library may not be able to meet from reserves, and of any circumstances in which the minimum level of reserves might not be maintained.
Approving the Annual Report & Accounts (authorised by the Chairman and Chief Executive upon the recommendations of the Audit Committee)	Audit Committee reviews the draft Annual Report & Accounts and recommends their approval and signing by the Chairman and Chief Executive on behalf of the Board.	Producing the Annual Report & Accounts and signing them as Chief Executive and Accounting Officer. Ensuring that they are laid in Parliament by the required date.	Review and ministerial approval of the Annual Report & Accounts prior to their being laid in Parliament.
Approving all major capital projects.	Capital Projects Committee oversees the execution and delivery of major capital projects (e.g. St Pancras Transformed) on behalf of the Board	Executing all capital projects, delivering their objectives and managing relevant risks.	Business case approval of all major capital projects that involve public funds or the use of public assets.
<b>2. Corporate governance</b>			
Retaining ultimate responsibility for the Library's governance and control.	Audit Committee reviews the effectiveness of the Library's system of controls. It reviews and advises the Board on the content of the Library's governance statement.	Implementing an effective system of controls. As Accounting Officer, the CEO is answerable to DCMS and Parliament for the Library's governance and controls.	DCMS Accounting Officer is also answerable to Parliament for the Library's stewardship of public funds.
Approving any action or recommendation that could be considered novel and contentious	n/a	Referring any potentially novel and contentious action or decision to the Board for approval	Notification (and approval) of any action or decision considered novel and contentious



Matters reserved to the Board	Matters delegated to Board committees	Matters delegated to the Chief Executive	Matters requiring DCMS consultation/approval
Engaging with DCMS / the Secretary of State with regard to the composition of the Board and appointments	n/a	n/a	Appointing members of the Board (managed by DCMS, with appointees determined by the Secretary of State)
Selecting a member of the Board to act as Deputy Chair and senior non-executive	n/a	n/a	n/a
Appointing a chair and members of the British Library Advisory Council	n/a	Making recommendations to the Board regarding all appointments to the British Library Advisory Council	BL Board's appointment of BLAC chair (in consultation with the Secretary of State). Changes to BLAC terms of reference (issued by the Secretary of State).
Appointing the Chief Executive, with his/her performance managed by the Chair.  If necessary, dismissing the Chief Executive.	RemCo reviews the terms and conditions of the Chief Executive, with an annual determination of his/her salary and performance bonus.	n/a	Appointing the CEO to the Board, and as Accounting Officer for the British Library. Approving any compensation in excess of DCMS delegated authority limits (see section 6 below).
Approving the top-level organisational structure of the Executive.	RemCo considers the recommendations of the Chief Executive in relation to the salary and performance bonuses of senior executives, making appropriate determinations.	Establishing an organisational structure. Appointing (top level) senior executives, reviewing their performance and recommending appropriate salaries and performance bonuses.	DCMS approval is required for compensation in excess of DCMS delegated authority limits (see section 6 below).
Overall responsibility for the Library's terms and conditions of employment, and the annual pay remit, for all staff	RemCo represents the Board in setting the terms and conditions of employment for staff and approves the Library's annual pay remit.	Recommending the terms and conditions of employment for all staff. Negotiating the annual pay remit.	n/a
Constituting committees of the Board, approving their terms of reference and appointing their members.	n/a	n/a	n/a
Determining the business of the Board including its cycle of meetings, its information requirements and the composition of agendas.	Each committee determines its cycle of meetings, information requirements and composition of agendas, within its terms of reference.	Proposing an agenda, submitting papers and delivering all information required for meetings of the Board and its Committees.	n/a

Matters reserved to the Board	Matters delegated to Board committees	Matters delegated to the Chief Executive	Matters requiring DCMS consultation/approval
<b>3. Risk management and control</b>			
Considering and approving the Library's policies and framework of internal controls and risk management, including risk appetites.	Audit Committee reviews the effectiveness of the Library's internal controls and risk management, receiving reports and assurance from internal auditors.	Preparing the Library's risk management framework and policy. Establishing internal controls and procedures for managing risks, detecting and preventing fraud, and ensuring compliance with relevant legislation. Reporting on their operation and effectiveness.	Assurance that an appropriate risk management framework is in place.
Ensuring that major risks are identified and managed.	Audit Committee reviews the Library's risk register(s), receiving reports and assurance on the management of (major) strategic risks.	Identifying and managing all risks. Responding appropriately to any incidents or materialising risks.	Early notification of any major incidents or significant risks that appear to be materialising.
Ensuring that an internal audit capability is in place to provide assurance on key risks and internal controls.	Audit Committee approves the appointment of internal auditors and their terms of appointment	Supporting the internal audit function and acting upon internal audit recommendations.	n/a
Ensuring that the scope of internal audit plans and external audits are sufficient to provide adequate assurance.	Audit Committee approves the scope of work of the internal and external auditors, including annual audit plans, and keeps the performance of internal auditors under review	Working with the internal auditors to agree a plan of audits and the terms of reference for individual audits. Providing access to information required by internal and external auditors.	Early notification of any material/exceptional matters, or any qualifications to the accounts, reported by the external auditors.
Receiving an annual report from the Audit Committee including an annual opinion and assurance from the Head of Internal Audit	Audit Committee receives internal audit reports and considers significant issues arising. It makes an annual report to the Board with a summary of assurance and the Head of Internal Audit's annual opinion.	n/a	n/a
Ensuring the provision of a confidential avenue for 'whistle blowers' with responsibility for investigating concerns about impropriety	The Head of the Audit Committee provides a confidential avenue outside the Executive for 'whistle blowers'	Implementing anti-fraud and anti-corruption policies and measures, including a policy and confidential avenue for 'whistle blowers'. Investigating any concerns about impropriety.	Early notification of any major issues identified as a result of investigation and reportable by the Accounting Officer.

Matters reserved to the Board	Matters delegated to Board committees	Matters delegated to the Chief Executive	Matters requiring DCMS consultation/approval
<b>4. Stewardship, operations and services</b>			
Approving the Library's bank mandates	n/a	Managing the Library's cash and investments.	n/a
Approving a fundraising policy, a naming rights framework and each offer of any significant naming right.	n/a	Management of fundraising from donors including negotiation of projects or benefits.	n/a
Ensuring, and approving relevant policies for, the health and safety of all visitors, users and staff of the Library, and the security of the Library's collections (physical and digital) and estate.	Audit Committee reviews the effectiveness of the policies and measures, receiving assurance and reports of any significant incidents or claims.	Establishing policies and implementing measures to ensure the health and safety of all visitors, users and staff, and the security of the Library's collections (physical and digital) and estate	Prompt notification of any major incidents, and of any major legal or financial claims against the Library.
Approving relevant policies and ensuring compliance with legislation governing information security and the acquisition, maintenance and use of personal data; appointing a statutory Data Protection Officer with direct access to the Board for reporting internal compliance issues or concerns	Audit Committee reviews the effectiveness of the policy and measures, receiving assurance and reports of any significant incidents or claims.	Establishing policies and effective systems and controls for safeguarding information, personal data and relevant services. Appointing a Senior Information Risk Owner (SIRO). Managing the acquisition, maintenance and use of personal data, complying with relevant legislation and the Information Commissioner's requirements.	Notification of any major information security incidents or breaches, and of significant data losses reported to the Information Commissioner
Approving policies for cultural property issues and the lending or disposal of collection items. Approving all decisions to accede to a restitution claim or to dispose of collection items.	n/a	Proposing, implementing and complying with appropriate policies for cultural property and the disposal of collection items, referring to the Board any decisions to accede to a restitution claim or to dispose of collection items.	Legislation is required before de-accessioning any collection item transferred (up to 1973) from the British Museum.
Approving the loan of a high value collection item to another institutions (for exhibition or other purposes)	n/a	Manage the lending of collection items; report all future loans approved above an agreed value to the Board.	n/a

Matters reserved to the Board	Matters delegated to Board committees	Matters delegated to the Chief Executive	Matters requiring DCMS consultation/approval
Approving the Library's pricing policy, and the individual prices of relevant services offered to the public.	n/a	Managing the delivery of all services offered. Recommending prices in line with the Board's pricing policy.	Approval of pricing policy for relevant priced services, under <i>Managing Public Money</i> and BL Act 'rules'
Overseeing the Library's operations, ensuring competent and prudent management, compliance with statutory and regulatory obligations, sound planning, management and internal controls	n/a	Managing the Library's operations, ensuring competent and prudent management, compliance with statutory and regulatory obligations, sound planning, management and internal controls	n/a
<b>5. Board Trust Funds (see section 2.3)</b>			
Ensuring the delivery of each fund's charitable purpose and objectives, and ensuring compliance with relevant regulatory obligations.	n/a	Administering the funds. Applying to the Board (as trustees) for major disbursements.	n/a
Ensuring appropriate investment of the funds' assets (via a common investment fund)	The Board may form a temporary investment committee from time to time, to advise on investment policy and the management of investments.	Managing the funds' cash assets and investments.	n/a
Ratifying all expenditure and disbursements from relevant funds	n/a	Reporting expenditure and disbursements from relevant funds for ratification by the Board. Responsible for the preparation, audit and submission of accounts	n/a

## 4 THE CHIEF EXECUTIVE AND ACCOUNTING OFFICER

### 4.1 RESPONSIBILITIES AS CHIEF EXECUTIVE

The Chief Executive is responsible for leading the development and execution of the Library's long term strategy, with ultimate responsibility for all day-to-day management decisions and for implementing the Library's long and short term plans.

The Chief Executive acts as a direct liaison between the Board and the management of the Library and communicates to the Board on behalf of management, and communicates to employees, Government, other stakeholders and the public.

More specifically, the duties and responsibilities of the Chief Executive include the following:

- to lead, in conjunction with the Board, the development of the Library's strategy;
- to lead and oversee the implementation of the Library's long and short term plans in accordance with its strategy;
- to ensure the Library is appropriately organized and staffed within the constraints of the Library's financial envelope and the good use of public money;
- to ensure that expenditures are within the authorized annual budget;
- to assess the Library's principal risks and to ensure that they are being monitored and managed;
- to ensure that effective internal controls and management information systems are in place;
- to ensure that the Library has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
- in concert with the Chairman, to develop Board agendas;
- to abide by specific internally established control systems and authorities, to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the Library's values, standards and policies, including its environmental, safety and health policies.

#### **4.2 RESPONSIBILITIES AS ACCOUNTING OFFICER**

The Chief Executive is appointed to be Accounting Officer for the Library and is personally responsible for accounting to Parliament, DCMS, the British Library Board and other stakeholders for: the safeguarding of the public funds in their charge; ensuring propriety and regularity in the handling of those public funds; and, reporting to the British Library Board, the day-to-day operations and management of the Library and achievement of its strategic aims.

The responsibilities of the Accounting Officer are set out in the Library's Management Agreement with DCMS and in *Managing Public Money*. They include:

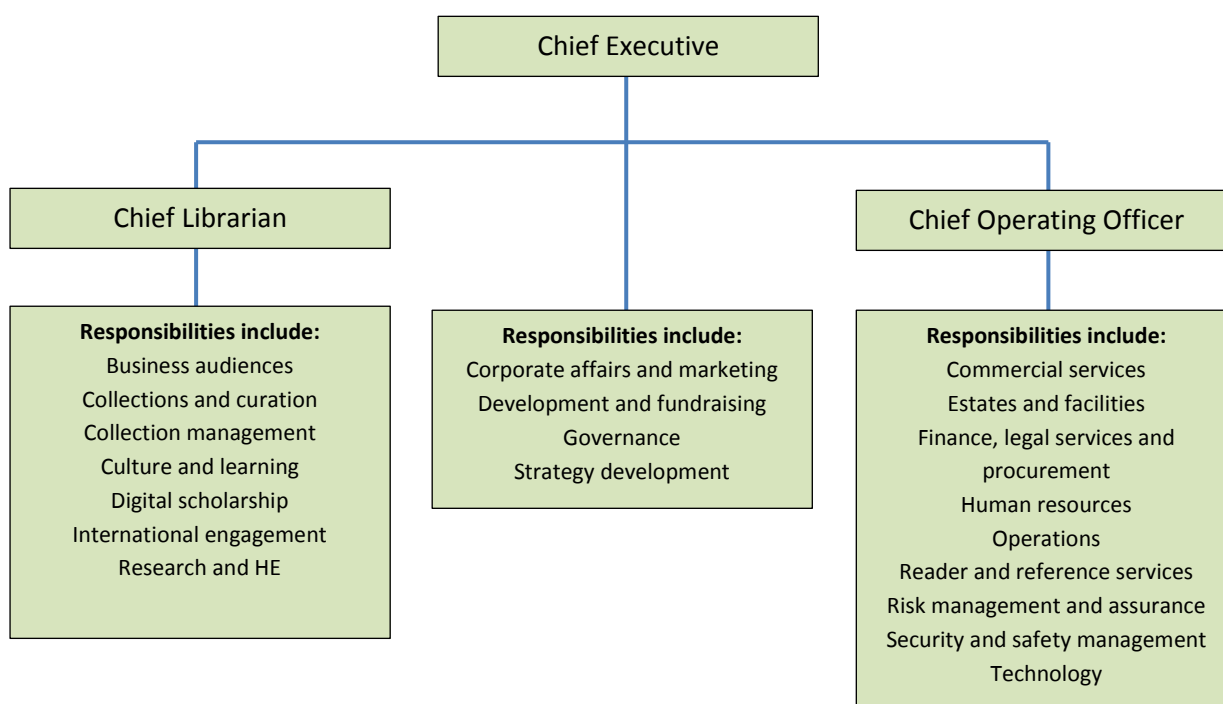
- Signing the accounts, ensuring that proper records are kept and that the accounts are properly prepared and presented in accordance with charity law, HM Treasury guidance and any directions issued by the Secretary of State.
- Ensuring that effective procedures for handling complaints about the Library are established and widely known within the Library
- Acting in accordance with the terms of the Library's management agreement with DCMS, *Managing Public Money* and other instructions and guidance issued from time to time by DCMS, HM Treasury and Cabinet Office, and
- Informing DCMS of progress in helping achieve DCMS' policy objectives and demonstrating how resources are being used to achieve those objectives
- Ensuring that timely forecasts and monitoring information are provided to DCMS, and that DCMS is notified promptly of potential overspends, underspends or significant financial or other problems.

- taking action as set out in *Managing Public Money* if the Board or Chairman is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, or has questionable feasibility, or is unethical.
- Giving evidence, normally with DCMS' Accounting Officer, if summoned before the Public Accounts Committee on the British Library's stewardship of public funds.

## 5 EXECUTIVE DELEGATIONS AND OPERATING DECISIONS

The Board delegates authority to the Chief Executive.

The Chief Executive has appointed a Chief Librarian and Chief Operating Officer to whom executive responsibility for many of the Library's functions and resources is delegated, as indicated below. The Chief Executive, Chief Librarian and Chief Operating Officer ("Chief Officers") form the Library's senior executive, with overall responsibility for all operating decisions.

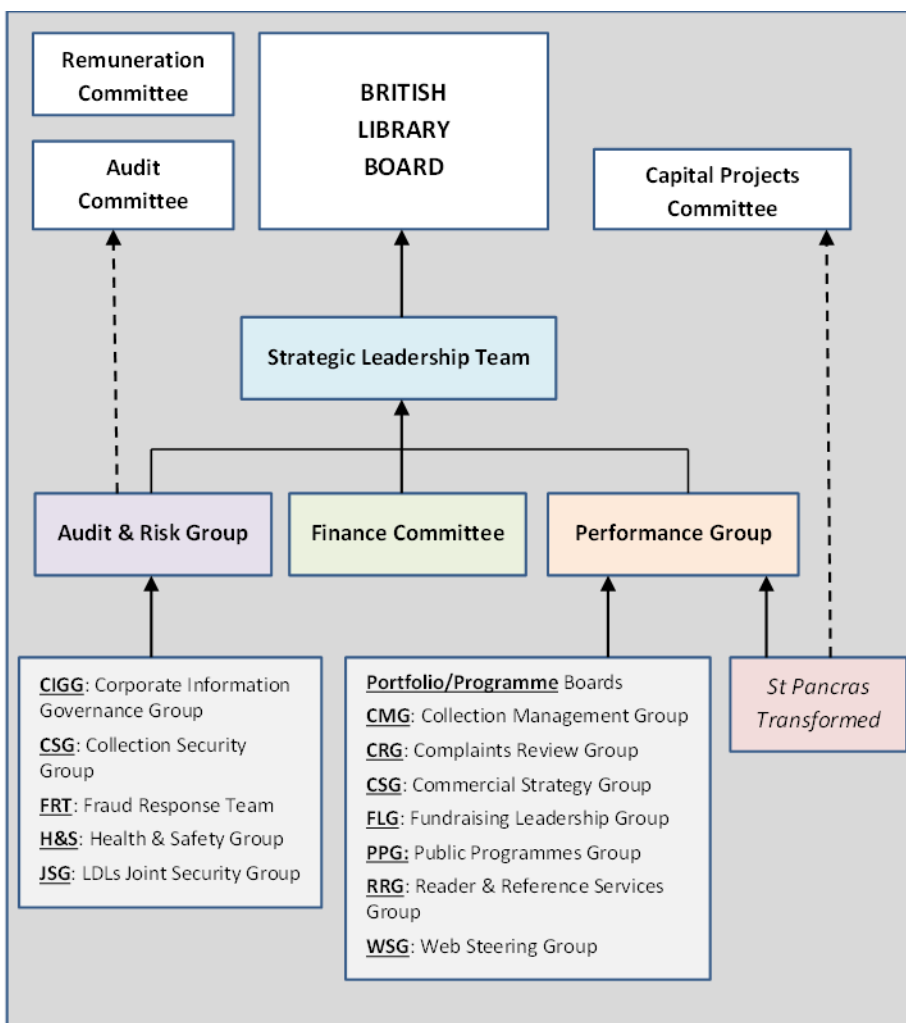


The Strategic Leadership Team (SLT) consists of the Chief Officers plus senior managers who have day to day responsibility for key functions and operations as indicated above. Members of SLT have authority to make decisions within their own areas of responsibility, but 'cross cutting' decisions which could impact more than one area are referred to relevant members of SLT and the Chief Officers for agreement.

Many decisions are therefore taken within groups or committees whose membership and terms of reference are defined for specific purposes. At the highest level:

- The whole Strategic Leadership Team meets formally between ten and twelve times a year to consider strategic issues, and also meets informally on a regular basis to share information.

- Audit & Risk Group meets six times a year to review internal controls and issues of compliance, assurance and risk management. Its main purpose is to ensure that the Library maintains effective stewardship of resources and remains able to deliver services and strategies within its risk appetite or tolerance.
- Performance Group meets monthly to oversee performance against agreed targets for: delivering key elements of the corporate business plan; commercial activities including profit & loss; key performance indicators reported to DCMS; and transformational change portfolios and programmes.
- Finance Committee meets monthly to oversee achievement of the Library’s financial strategy and annual financial plan, and to ensure that the Library’s financial resources are allocated appropriately; this includes approving business cases plus any significant forecast changes to individual budgets.



## 6 FINANCIAL DELEGATIONS

The Treasury definition of delegated authority is “a standing authorisation by the Treasury under which a body may commit resources or incur expenditure from money voted by Parliament without specific prior approval from the Treasury. Delegated authorities may also authorise commitments to spend (including the acceptance of contingent liabilities) and to deal with special transactions (such as write-offs) without prior approval”.

The expenditure limits refer to approval for a financial commitment against approved budgets and is subject to contract award, typically approval of contractual commitment over the term or life of the contract, (e.g. a cost centre manager at grade A can approve a financial commitment on a contract valued at £20k per year over 5 years, total commitment £100k). The award of the contract must be signed off by the Corporate Procurement Unit (CPU), with the Head of Finance having authority to sign contracts on behalf of the BL up to the delegated limits and the Head of Procurement having authority to sign contracts on behalf of the BL up to £1m.

The limits will also apply to processing of individual transactions for GPC cards, expenses etc. although managers will often set their own delegations at less than these maximums. They also apply to invoices committed outside of the official contract/order process. CPU regularly reviews these invoices to ensure that future transactions are compliant with BL procedures.



British Library Governance Framework and Scheme of Delegation

	DCMS Delegated Authority Limits	BRITISH LIBRARY APPROVAL FOR A FINANCIAL COMMITMENT							
	CEO, COO, CLO or Head of Finance	SLT or equivalent			Cost Centre Managers		Assistant Managers C	D (see note 1)	
		SB2	SB3	SB4	A	B			
<b>Competitively tendered expenditure</b>									
Capital Expenditure (whole life costs)	15,000,000	300,000	300,000	300,000	150,000	150,000	30,000	0	
<b>Digital and Technology:</b> includes contracted out services, existing contract extensions or amendments, feasibility, proof of concept studies or pilots, cost of running the service including any digital element provided, common infrastructure solutions including voice and data, Public Services Networks (PSN). (See note 2)	£0 for digital project utilising ID Assurance; £100,000 for Digital Expenditure; £1m for services also delivered by Independent Shared Service Centres; £5m for technology expenditure	0	0	0	0	0	0	0	
Spend on Advisory Consultancy ( see note 3)	20,000	20,000	20,000	0	0	0	0	0	
All other non specified expenditure (see note 1 and 8)	5,000,000	300,000	300,000	300,000	150,000	150,000	30,000	5,000	
<b>Single tender expenditure</b> (see note 4)	118,000	118,000	50,000	0	0	0	0	0	
<b>Other delegated limits</b>	CEO, COO, CLO or Head of Finance	SB2	SB3	SB4	A	B	C	D	
Contingent liabilities	100,000	0	0	0	0	0	0	0	
<b>Fraud (attempted, suspected or proven)</b> (see note 5)	0	0	0	0	0	0	0	0	
Losses and Special Payments	100,000	3,000	2,000	1,000	500	0	0	0	
Gifts (individual or in total to one person/organisation)	1,000	500	500	250	0	0	0	0	
Salaries (to Chief Secretary to the Treasury)	150,000	0	0	0	0	0	0	0	
New performance pay arrangement of or above (to Chief Secretary to the Treasury)	17,500	0	0	0	0	0	0	0	
Payment of existing performance pay arrangement of or above (to Chief Secretary to the Treasury)	50,000	0	0	0	0	0	0	0	
Any redundancy or compensation for loss of office under the Civil Service Compensation Scheme (to HM Treasury)	0	0	0	0	0	0	0	0	
Special Severance Payments (see note 9)	0	0	0	0	0	0	0	0	
Disposal of assets	1,000,000	0	0	0	0	0	0	0	
<b>Notes:</b>									
1a. Authority for specialist Grade D posts only, i.e. Business Support Officers, Training co-ordinators and Acquisitions staff. To be reviewed annually.									
1b Head of Procurement has authority to sign contracts on behalf of the BL up to £1m.									
2. Due to the complexity of the new Cabinet Office/DCMS spending controls all expenditure in the Digital and Technology area should be reviewed by Procurement and Technology at the outs et.									
3. Exclusions include legal counsel and front line services that utilise consultants, e.g. heritage consultants, fund-raising activities etc.									
4. An exception to the general delegation is an assigned grade A in CPU is able to authorise single tenders up to £25,000 in order to meet operational requirements. These requirements do not apply to purchases for collections, acquisitions, core public offerings or subscriptions to support these (e.g. subscriptions to unique journals).									
5. All instances, irrespective of the amounts involved, must be reported to DCMS.									
6. Prior DCMS approval is required for all expenditure in excess of the DCMS delegated limits including those feeding into the Chief Secretary or direct to HM Treasury.									
7. Board approval required for all committed expenditure exceeding a net £5m, (net costs after deducting any income).									
8. CEO or COO or CLO plus Head of Finance for all expenditure over £1m.									
9. There is no delegated authority limit for special severance payments and these require HM Treasury approval before an offer can be made.									
10. The receipts from the disposal of assets may normally be retained if used to finance other capital spending.									
11. Any payment that could be considered "Novel or Contentious" or impose lasting commitments should be referred to the Head of Finance prior to approval.									

## **7 THE BRITISH LIBRARY ADVISORY COUNCIL**

The British Library Advisory Council is mandated by the British Library Act 1972. Its terms of reference are issued by the Secretary of State. With no decision-making powers, its role is “to advise the British Library on any aspect of the development and operation of its services, and its relations with libraries, at home and overseas.”

The Advisory Council consists of a Chair and up to 26 other members. All are appointed by the British Library Board, although the Chair’s appointment is “after consultation with the Secretary of State”. Up to six of the members are appointed *ex officio*, with the others appointed for terms of up to five years; in recent practice, members have been appointed in three-year terms for up to a maximum three consecutive terms.

## **APPENDIX 1: BOARD AUDIT COMMITTEE TERMS OF REFERENCE FOR 2019/20**

### **Status**

The Board Audit Committee is a main committee of the British Library Board, comprising at least three non-executive members of the Board, one of whom acts as Chair of the Committee. A quorum shall consist of at least two members who are non-executive members of the Board. The Chair and members of the committee are appointed by the Board (in consultation with the Chair of the Board Audit Committee), being Board members or other people with relevant professional experience, who are independent of management and free of any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgement as committee members.

The Secretary of the Board shall also be Secretary to the Audit Committee.

### **Membership and Attendance**

The current members of the Audit Committee are:

- Robert Black, Chair (non-executive member of the Board)
- Lynn Brown (independent committee member with relevant professional experience)
- Nicholas Deyes (independent committee member with relevant professional experience)
- Martin Dickson (non-executive member of the Board) [until 31 March 2019]
- Professor Dame Helen Wallace (non-executive member of the Board) [until 31 March 2019]
- [+ vacancy for a non-executive member of the Board]

The Chief Executive attends as Accounting Officer for the British Library.

At the request of the Chair of the Audit Committee, the Library's Chief Operating Officer, Head of Finance, Head of Assurance, and representatives of the Library's internal auditors will be in attendance at committee meetings. Representatives of the Library's external auditors will also be invited to attend. Other members of the Library's executive may be invited to attend for specific agenda items.

The Committee is able to obtain outside professional advice and, if necessary, to invite outsiders with relevant experience to attend its meetings.

The Secretary will make the minutes of the Audit Committee available to Board members who are not members of the Audit Committee, who shall also have the right of attendance at meetings of the Committee.

The Committee will meet as necessary, but at least three times a year.

### **Responsibilities**

The Committee's purview extends to all the operations within the British Library, including the preparation of the Library's financial accounts and its systems of management control and internal audit.

The Audit Committee's detailed responsibilities are:

- To review the Library's internal and external financial statements and reports in the light of best practice;
- To review the effectiveness of the Library's internal control system in ensuring that the aims, objectives and key performance targets of the organisation are achieved in the most economic and effective manner;
- To review and advise the Board on the content of the governance statement in the Library's Annual Report and Accounts;
- To review and advise the Board on the Library's risk assessment and risk management process;
- To review the Library's internal audit service in the light of the standards specified in the Government Internal Audit Manual and agreed levels of service;
- To review the scope and nature of the work of the internal audit function which shall be in accordance with The Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors;
- To recommend the appointment and termination of employment of the internal auditors who shall have a right of access to the Chairman of the Committee at all times; to recommend to whom it should report; to receive and review reports from the internal auditors; and on occasion to recommend audit assignments to be conducted on the Committee's behalf;
- To consider and advise the Board on the Library's annual and long term internal audit programme, approving each year's audit plan on behalf of the Board;
- To consider internal audit reports, including value-for-money reports, and the adequacy of management responses to issues identified by audit activity, and assurance on the implementation of agreed actions;
- To discuss with the external auditors the nature and scope of each audit and to promote the fullest co-operation of the Library's management and staff with the external auditors;
- To consider all relevant reports by the external auditor, including reports on the Library's accounts, achievement of value for money, and the response to any management letters;
- To ensure that arrangements exist for effective co-operation between the internal and external auditors in line with HM Treasury Guidance;
- To review the operation of the Library's Code of Conduct for Board members and staff;
- To consider any other matters where requested to do so by the Board;
- To report at least once a year to the Board on the discharge of the above duties.

The Audit Committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Audit Committee shall, at least once a year, meet in private with the External Auditors, without the Internal Auditors or Management present. Likewise the Audit Committee shall meet in private with the Internal Auditors, without Management being present, at least once a year.

Secretariat contact: Head of Governance

Frequency of meetings: Typically four per annum, in March, May, June and November.

Dispatch of papers: 1 week in advance of meeting

## **APPENDIX 2: REMUNERATION COMMITTEE TERMS OF REFERENCE FOR 2019/20**

### **Authority**

The Remuneration Committee is a non-executive sub-committee of the Board. It has delegated authority from the Board to act within these terms of reference, which may be amended at any time by the Board.

### **Purpose**

The purpose of the Remuneration Committee, acting on behalf of the Board, is to determine the salary and performance bonus of the Chief Executive; to approve the recommendations of the Chief Executive on all aspects of the remuneration of the Chief Librarian, Chief Operating Officer and any other equivalently paid executives and senior staff; and to approve the Library's annual pay remit for all other employees.

### **Duties**

- To keep under regular review the terms and conditions of the Chief Executive.
- To consider the Chairman's annual review and assessment of the Chief Executive's performance, and to determine the Chief Executive's salary and performance bonus.
- To determine and monitor the level and structure of remuneration for the Chief Librarian, Chief Operating Officer and any other equivalently paid executives and senior managers.
- To approve the recommendations of the Chief Executive in relation to annual reviews of the salary and performance bonuses of the Chief Librarian, Chief Operating Officer and any other equivalently paid executives and senior managers.
- To represent the Board in considerations relating to the terms and conditions of all other Library employees and to approve the Library's annual pay remit.
- To carry out any other review and make any other recommendation which, in its opinion or at the request of the Chief Executive, it believes to be relevant to the Board's statutory responsibilities in relation to the terms and conditions of the Library's employees.

### **Responsibilities**

In making the above determinations, the Committee will take into account all factors which it deems necessary, including:

- relevant legal and regulatory requirements;
- relevant Government directions and guidance;
- pay and employment conditions across the Library;
- pay and employment conditions for equivalent roles in other relevant organisations; and
- the Board's objectives of attracting, retaining and motivating executive management of the quality required to run the Library successfully without paying more than is necessary.

Upon termination of the Chief Executive or of the Chief Librarian, Chief Operating Officer or any equivalently paid executive or senior manager, the Committee will ensure that the contractual terms and any payments made are fair to both the individual and the Library, that failure is not rewarded

and that the duty to mitigate loss is fully recognised. Payments are normally governed by the Civil Service Compensation Scheme and, depending upon the terms and amount, final approval may be required from Cabinet Office or the Secretary of State.

No director, executive or senior manager may be involved in any discussion or decisions as to their own remuneration or compensation.

The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

### **Membership**

The Committee will comprise of a chair plus two other members. All three members of the Committee will be non-executive members of the Board. There will be a quorum of two for the transaction of business.

Members of the Committee will be appointed by the Board and must be independent of management and free of any relationship that, in the opinion of the Board, could interfere with the exercise of independent judgement as Committee members.

The Head of HR will support the Committee, being in attendance at all meetings of the Committee. The Head of Governance will be secretary to the Committee.

### **Meetings and Procedures**

The Committee will meet as and when required but at least once a year.

The Committee will have access to the Head of Governance as secretary for assistance as required.

An agenda and papers for each meeting will be dispatched (electronically) at least one week before the date of the meeting.

The Committee will have access to sufficient resources in order to carry out its duties. This includes the ability, if required, to obtain external professional advice and, if necessary, to invite external advisors to its meetings, at the expense of the Library but within any budgetary restraints imposed by the Board.

Minutes of Committee meetings will be circulated to all members of the Committee. At least once a year, the chair of the Committee will report to the Board on its proceedings on all matters within its duties and responsibilities.

## **APPENDIX 3: CAPITAL PROJECTS COMMITTEE TERMS OF REFERENCE FOR 2019/20**

### **Purpose and Responsibilities**

The primary task of the Capital Projects Committee is to assist the Board in carrying out its oversight responsibilities with respect to achieving the objectives of its major capital projects. The responsibilities of the Committee will include overseeing, challenging where appropriate, and obtaining necessary assurances from the Executive and its contracted advisers, in respect of all aspects associated with delivering the Programme, with particular focus on:

- identification, assessment and management of risks;
- monitoring and reporting;
- project or programme management and governance;
- business case and financial management;
- procurement, and the negotiation of contractual or leasing arrangements;
- planning for maintenance & repair, facilities management, security, and health & safety;
- contingency planning and provisions;
- benefits realisation strategies;
- other areas of assurance identified by the Committee, taking account of existing internal and external review processes.

The Capital Projects Committee will advise the Board on the above matters, making recommendations as appropriate, both prior to submission of a Full Business Case to the Board or DCMS for final approval and also throughout the progress of the projects and programme to the end of their life cycles.

### **Status**

The Capital Projects Committee is a limited-life committee of the British Library Board, comprising at least two non-executive members of the Board, one of whom acts as Chair of the Committee, and the Chief Executive. Two non-executive members shall constitute a quorum. The Committee's existence does not detract from the responsibilities of the Chief Executive as Accounting Officer or of the Senior Responsible Owner for any programme or project.

### **Membership / Attendance / Process**

Current members of the Capital Projects Committee are:

- Patrick Plant (Chair), non-executive board member
- Roly Keating, Chief Executive
- Simon Thurley, non-executive board member
- [+ vacancy for a non-executive member of the Board]

At the request of the Chair, executives of the Library will be in attendance at committee meetings or for selected agenda items, and representatives of the Library's internal support team and/or contractors may also be invited. Initially, regular participants in the Committee's meetings will include:

- Phil Spence, Chief Operating Officer
- The Senior Responsible Owner of each relevant capital programme or project
- Patrick Dixon, Head of Estates and Facilities.

The Committee is able to obtain outside professional advice and, if necessary, those external advisers may be invited to attend its meetings.

The Secretary of the Board acts as Secretary to the Capital Projects Committee. The Secretary will make the minutes of the Capital Projects Committee available to Board members who are not members of the Committee. The Secretary is also responsible for presenting the Committee's advice to the Board.

The Committee will meet as necessary. Meeting papers will normally be despatched 1 week in advance of meetings.