

## Lunch number three: BOARD and SMT WORKING IN PARTNERSHIP

With Keir McGuinness (former Chair) and Stephen Escritt (former Director of Strategic Development) of the Whitechapel Art Gallery

12th January 2011

### A summary of their talk

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#### **The Whitechapel capital project**

In 1998 the Director of the Whitechapel Gallery, Catherine Lambert, was presented with the opportunity to acquire the redundant ex-library next door to create an enlarged exhibiting space. Her thinking triggered an eleven million pound capital project requiring first class governance. Keir McGuinness, the Whitechapel Chair at the time (who remains a Trustee today), and Stephen Escritt, former Director of Strategic Development, describe how the Board and Senior Management team worked closely together to deliver the initiative on time and in budget.

#### **Getting a robust governance structure**

Following a negotiated option on the site, and a significant window of time to undertake feasibility work, Catherine retired in 2000. Iwona Blazwick was appointed Director with the express brief to interpret, develop and deliver the capital project. Together with Keir she reshaped the management and the Board, setting up a triumvirate senior staff team and several Board sub-committees comprising Trustees, senior staff and external expert advisors: *Building Acquisition, Finance* (including a highly respected hedge funder), *Design and Build* (including the journalist and design commentator Alice Rawsthorn) and *Retail and Trading*. Financial sustainability through retail was a core part of the business model and increased the ability to attract funding.

#### **Committed, skilled trustees**

Keir describes the Board at that time as comprising a wide variety of specialist talents, and those Trustees who headed up each committee were expected to set and deliver targets swiftly. The voluntary time donated by the Trustees was significant and at one point - at the behest of a funder - was valued at £600K. All staff (a team of 22 at that point) knew each of the Board members because they were around in the building so regularly.

Not all Trustees and Advisors were able to give this quantity of time, but their occasional interventions of expertise were often crucial to the success and momentum of the initiative. For example, the Leader of Tower Hamlets Council and John Newbiggin (then Head of Corporate Relations for Channel 4) were very instrumental in effectively navigating the local and regional political landscape, as well as the media machine.

#### **The power of delegation**

The structure and composition of the sub-committees (staff, Trustees and experts) meant the Board and senior staff worked very closely together, enabling trust and ideas to be rigorously road tested

before being presented to the Board. This in turn fostered a strategically focused and problem solving culture in Board meetings, able to leave the detail to the committees. Notably, the Board's relationship with the senior staff wasn't mediated by the Director. Her generosity of spirit, and need to focus on curation, meant the Development Director and Operations Director had as much to do with the Board and external partners as she did. Former Development Director Stephen said *'In many organisations, the SMT is wheeled in and out when required which can be dispiriting, but at the Whitechapel we were a triumvirate, saving the Director time whilst building our confidence and sense of worth as key players.'* Keir reiterated, *'This absence of hierarchy didn't just emerge. It happened because the Director let go, unlike others who tend to put up unnecessary shields between senior staff and the Board. However, partnerships are difficult so getting a clear structure and explicit roles was what made it work.'*

This structured, communicative, collaborative approach made it possible for the Board and SMT to take tough decisions, such as appealing a decision of HMRC regarding payment of VAT on capital items, and going ahead with the build despite being two million short of the total monies required. The sustainable, proactive and networked culture led by Iwona and Keir gave the team the ability to cash-flow the project from reserves, confident that the remaining funds would be found. In Keir's words, *'It's not about taking the risk, it's about quantifying it.'*

## Notes from the discussion

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### The Portfolio Board

The Whitechapel capital development was a 'project', which not only helped drive a results focussed and collaborative culture, but also required specific, new skills at Board and senior staff levels. Once the project was over, the skills needed reviewing again, a kind of 'war and post war'. Keir was clear that as milestones are reached, Boards need to follow suit and refresh regularly to ensure they have the right people for the current objectives, making use of the Whitechapel's five year term of office. Espousing the efficiency of 'Portfolio Boards', he stated that Boards need to be explicit about their range of skill requirements at any given time, recruit carefully and seriously to this agenda and give people clearly defined roles to get their teeth into, which the staff can appreciate and draw on. Being a Trustee to simply support the general well being of an organisation is too woolly, and often results in people feeling powerless. At the Whitechapel, appraisals of the Chair and all Trustees are annual and linked to their specific roles. If people aren't performing against targets they may be asked to leave.

Responding to questions, Keir offered the table a couple of other governance tips. Firstly, as Chair, if you see something going wrong or relationships being strained you have to deal with it promptly, starting with talking it through. The key, he says, is to give disgruntled Trustees a role they can focus their energies on. Secondly, Keir abolished the concept of AOB which he believes provide those trustees with a hobby horse the perfect opportunity to hijack meetings. Meetings should have clear agendas for which all relevant parties make the necessary preparation and planning, which in turn allows the best use of everyone's valuable time at board level to reach informed and considered decisions at those meetings.

## **New collaborative governance models**

The group considered if they had the breadth of skills amongst their Boards and staff to get through the coming years. In the wider voluntary sector, organisations are starting to share Trustees with specific expertise. Could Chairs of arts organisations get together to share their skill base? Could one Trustee with specific expertise advise a number of arts Boards?

## **Trusting in change**

Projects help create change. Organisations need projects to reinvent themselves and avoid decay, now more than ever. To be effective Boards and staff have simultaneously to understand and support the need for change. Where there is a fear of change at Board or staff level, and therefore a dishonesty between the operators of the mission and the guardians of the ethos, an organisation will cease to function adequately. The current climate is as strong a reason to champion and instigate change as any, and the trick is to create forward momentum by getting the staff and Board to focus on 'the project/s' which will bring about change, rather than the change itself.

In talking about change, Keir mentioned a particular issue for which he has a personal enthusiasm, namely the understanding and facilitation of possible changes to the various ways in which voluntary organisations are funded and the relationship which such activities have to the Treasury and the latter's approach to such.

Keir mentioned a past attempt, whilst chairing a non-Whitechapel committee, to initiate a forum whose objective was to have an annual conference, attended by various professional specialists in the field of tax, law, accountancy, museums, government funding etc, from both the UK and abroad, at which the various international and national methods of charitable funding could be discussed, compared and understood. There would be a clear objective to devise ways of providing the tax efficient funding of various charitable activities which appealed to both donors, donees and the Revenue. Keir felt that this could be a perfect project for the Clore Fellows... or anyone else interested.