


LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	Cabinet 3 November 2022	
Report Title	New Governance Arrangements for the William Morris Gallery	
Cabinet Portfolio	Councillor Grace Williams, Leader of the Council	
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Wards affected	None specifically	
Public Access	OPEN	
Appendices	Appendix 1 - Framework for setting up the CIO Appendix 2 - Details on the Brangwyn Trust Appendix 3 - EIA screener	

1. SUMMARY

- 1.1 The William Morris Gallery (WMG) celebrates the life, work and legacy of William Morris (1834-1896), the renowned Victorian designer, craftsman, poet and social campaigner. It has the most comprehensive collection of Morris works in the world.
- 1.2 Following significant refurbishment in 2012, the Gallery has grown in success, with a strong profile as a local, national and international destination attracting over 120,000 visits per annum with increased commercial returns and partnerships.
- 1.3 Approval is now sought to set up a new Charitable Incorporated Organisation (CIO) for the WMG to contribute to its future economic sustainability. The CIO will have powers to enable access to additional sources of funding for the WMG, bring on board new trustees with complementary skills, expertise and networks, and provide advice on the collection and exhibitions.
- 1.4 Under these new arrangements, the council will continue to own and operate the building and collections.
- 1.5 Development of the new CIO will also enable regularisation of the Brangwyn Trust, which was set up in 1935 when Frank Brangwyn RA donated items from his collection to the Walthamstow Borough Council.

2. RECOMMENDATIONS

- 2.1 Cabinet is recommended to:
- 2.2 Agree to the establishment of a new Charitable Incorporated Organisation (CIO) with powers limited to fundraising, collection and exhibition-related advice and governance for the William Morris Gallery.
- 2.3 Agree to the CIO becoming the sole managing trustee of the 1935 Brangwyn Trust.
- 2.4 Delegate to the Strategic Director of Place, the agreement of specific deliverables of the new CIO.

3. PROPOSALS

Background

- 3.1 William Morris was born in Walthamstow and spent much of his childhood in Water House in Lloyd Park.
- 3.2 A campaign to memorialise William Morris and his associates was championed locally in the decades following his death in 1896. The William Morris Gallery was created in Water House and opened in 1950 by Walthamstow Borough Council,
- 3.3 In 2012, following investment by Waltham Forest Council, the National Lottery Heritage Fund and other external trusts and foundations, the WMG underwent significant refurbishment including the creation of a new extension housing a special exhibition space, collection store, café and lift.
- 3.4 Over the past ten years, the WMG has grown its profile as a local, national and international cultural destination with high quality, engaging exhibitions, public and education programmes, with footfall having quadrupled to over 120,000 per annum. It has also developed its commercial income streams through the on-site and on-line retail operations and licensing of its trademark and new products.

A New Charitable Organisation for the William Morris Gallery

- 3.5 As part of a drive to improve further the return on investment at the WMG, and move towards a more self-sustaining model, a new governance arrangement has been developed.
- 3.6 It is proposed that a new charitable incorporated organisation (CIO) is established with the powers limited to:
 - (a) fundraising to support the work of the WMG
 - (b) advice on the management of the collections
 - (c) support with the development of exhibitions and public programmes.
- 3.7 The CIO will enable the WMG to access new funding streams and will recruit a board of up to eleven trustees with additional skills and

networks to support the gallery's development, provide strategic scrutiny and advise on the significant collection of artefacts and the exhibition programme.

- 3.8 One of the trustee positions will be held by a Waltham Forest councillor with a second by a senior officer of the Council. Three of the trustee positions will be offered to the current non-council Brangwyn Trustees. A further trustee position will be offered to the Friends of The William Morris Gallery.
- 3.9 Under these arrangements the ownership of the WMG and its collections will remain with Waltham Forest Council. In addition to new funding opportunities, the incorporated charity structure limits trustee liability and allows the CIO to hire staff, with the potential for further growth.
- 3.10 A full-time fundraiser will be recruited to support the trustees of the new CIO in securing new funding streams for the WMG.
- 3.11 Specific deliverables will be developed over the next 6 months whilst the process of setting up the CIO is underway. The council will continue to fund the WMG's operations to the current levels, although the level of funding is likely to decrease as fundraising and income generation at the gallery becomes more successful.
- 3.12 The limited scope of the CIO in the first phase will reduce financial risk to the new charity and the council. If successful, and agreed deliverables are achieved, there is scope that the powers of the CIO could be extended at a future date.
- 3.13 The framework and timeline for setting up the CIO is set out in Appendix 1.
- 3.14 The CIO will also become the sole managing trustee of the Brangwyn Gift.

The Brangwyn Gift

- 3.15 In 1935, as a result of the local campaign, Frank Brangwyn RA gifted items from his collection to Walthamstow Borough Council (WBC), on the understanding that the council would set up an 'exhibition' in Water House, Morris' childhood home in Lloyd Park, Walthamstow.
- 3.16 To ensure safekeeping of the Brangwyn Collection of around 300 objects, a trust deed was signed in 1935 by the WBC and Brangwyn.
- 3.17 The trust deed set out that the WBC (now Waltham Forest Council) would be the custodian trustee, with the appointment of four managing trustees. (See Appendix 2)
- 3.18 The existing 1935 trust deed is outdated, has never been registered as a charity, puts the trustees in a position of unlimited liability, and is in need of modernising. The setting up of the CIO, and the process of creating the CIO as the sole managing trustee will resolve this.

4. OPTIONS & ALTERNATIVES CONSIDERED

- 4.1 Other options considered:
- 4.2 Do nothing. This does not maximise the opportunities for the WMG as the limitations for seeking external funding remain, does not address the current issues with the outdated Brangwyn Trust deed and would not realise the opportunity of bringing in new skills through an extended board of trustees. Not recommended.
- 4.3 Optimise the current arrangements of full council ownership and operation. This could achieve further improvements but would not widen access to external funding from some trusts and foundations, and potential donors, who do not directly support or fund a local authority. This option does not address the current issues with the outdated Brangwyn Trust deed and does not realise the opportunity of bringing in new skills through an extended board of trustees. Not recommended.
- 4.4 Establish a CIO with full operating powers for the WMG, placing full operating and budget responsibility in the new CIO. This would enable the WMG to apply for a wider range of external funds and resolve the issues with the outdated 1935 Brangwyn Trust. However it would put the gallery's entire operation, budget and programme at arm's length from the council and as such present a high risk to the effective operation of the WMG. Not recommended.
- 4.5 The recommended option, for a CIO with limited powers will enable the council to pilot the efficacy and viability of the CIO, initially with limited powers to limit the risk, and also limit the liability of the trustees. There is scope to extend the powers of the CIO at a future date if key success measures have been delivered. Recommended.

5. SUSTAINABLE COMMUNITY STRATEGY PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)

- 5.1 The proposal set out in this report will achieve a better return on investment for the WMG and deliver a more economically sustainable council asset. This is in line with the current development of a Destinations Strategy.
- 5.2 It will also bring in additional impact through the establishment of a new trustee board, to bring in new skills to enhance the WMG, develop its reach, profile and delivery of a diverse, relevant, and inclusive public programme which will be more reflective of the local community.

6. CONSULTATION

- 6.1 The proposals have been reviewed and discussed with the existing Brangwyn Trustees who are supportive of the establishment of the new CIO.

7. IMPLICATIONS

7.1 Finance, Value for Money and Risk

7.1.1 As set out above (section 3.9) the establishment of a CIO for the WMG will enable the WMG to become a more economically sustainable council asset. Furthermore, the regularisation of the Brangwyn Trust as part of this will also reduce liabilities on the existing trustees, which currently includes the CEO of Waltham Forest Council in an *ex officio* capacity. A budget allocation of £20k has been identified to cover the set up costs.

7.1.2 The impacts of the establishment of the CIO on business rates and VAT for the William Morris Gallery will be included in the next stage of planning for the CIO. However in this proposal, with establishing the CIO with limited powers, it is not anticipated that the business rates or VAT will have a material impact on the financial model.

7.2 Legal

7.2.1 The Council has taken specialist legal advice on the proposed new governance model. The setting up of a new CIO and amendment of the existing Brangwyn Trust deed will be undertaken with appropriate consent of the Charity Commission, and accordance with the Charities Act 2011, and any amends in the forthcoming Charities Act 2022.

7.3 Equalities and Diversity

7.3.1 The establishment of a new CIO will enable recruitment of a new representative board of trustees to support and guide the exhibition programme for the gallery to maximise engagement with diverse audiences, creatives and suppliers. The Equalities Assessment is attached as Appendix 3.

7.4 Sustainability (including climate change, health, crime and disorder)

7.4.1 One of the guiding principles of the new CIO will be to ensure that sustainability is a priority through all areas of its influence including fundraising. One of the CIO trustees will be a nominated Sustainability Champion and recruited to bring in relevant expertise. Officers will work with the Council's Sustainability team to incorporate relevant targets as the CIO is established and finalised.

7.5 Council Infrastructure

7.5.1 There is no impact on council infrastructure with this proposal. The collections and building of the WMG will remain under ownership and management of the Council.

7.5.2 Any future staffing implications will be managed in line with the relevant policies and procedures. Furthermore, any remits or responsibilities for staff employed by the Council will be made clear and form part of a Memorandum of Understanding and/or Service Level Agreement.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

None