

Item No:	Classification: Open	Date: 25/02/03	MEETING NAME: EXECUTIVE
Report title:		South London Gallery Trust Stabilisation – Decisions for Council:	
Ward(s) or groups affected:		Boroughwide	
From:		Director of Education & Culture / Culture & Heritage Manager	

IMPORTANT NOTE:

This report follows the earlier agenda item that comprises the advice and recommendations of the South London Gallery Steering Group to the Council acting as sole corporate Trustee. In considering the earlier report the Executive has a duty to avoid any conflict of interest with its role as local authority and to act in the best interests of the Trust only. This report is to the Council in its corporate capacity as local authority and therefore the Executive has a primary duty to the residents and council tax payers of Southwark and not to the interests of the South London Fine Art Gallery & Library Trust. To avoid unnecessary duplication the Appendices to the two agenda items are common.

RECOMMENDATION(S)

1. *The Executive notes that the Council has 2 separate roles in relation to the operation of the South London Gallery (SLG) as follows:*
 - a) *normally when the Council is considering matters concerning the administration of the charity and making decisions on behalf of the charity the Council is acting as a trustee and not in any other capacity. Under Charity law the Trustees must act in the best interests of the trust and avoid potential conflicts of interest with their role as Councillors. Wherever necessary independent advice should be sought.*
 - b) *in its corporate role as a local authority providing support for SLG under a range of statutory powers and duties in relation to libraries, museums and the arts. These include the Public Libraries and Museums Act 1964 and the power under section 2 of the Local Government Act 2000 to do anything which it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of the area. The power of well-being must be exercised having regard to advice issued by the Secretary of State and the provisions of the Council's community strategy. This report concerns decisions that the Council needs to make in its corporate capacity as a local authority.*
2. *The Executive notes and endorses the decisions of the Ratification Committee taken on 9 April 2002 set out in Appendix 1.*
3. *The Executive notes the advice of the SLG Steering Group to the Council as Corporate Trustee (Appendix 2) and the decisions made in response to these earlier on the agenda i.e. that:*

- *The freehold gallery building and land are permanent assets of the Charity, and that the new trustee will need to amend the land registry entry when the trusteeship is transferred to a new company.*
 - *The Trust notes the progress made on the interim building works to bring about immediate improvements to access and provide improved education facilities.*
 - *The Trust agrees that it would be in the best interest of the Trust to receive No 67 Peckham Rd from the Council.*
 - *The trust notes that the endowment fund is the property of the Trust and will need to transfer to the new Trustee.*
 - *The trust notes that an application has been made on behalf of the trust for mandatory 80% rate relief and a further application for 20% discretionary rate relief.*
 - *The trust agrees that ownership of individual works in the SLG collection should be left for negotiation between the new trustee, once established, and the Council because of the conflict of interest.*
 - *The trust notes that the part of the collection beneficially owned by the Trust is part of the Trust's permanent endowment.*
 - *The trust agrees in principle that the part of the collection owned by the Gallery should be loaned to the Council and that it is in the best interests of the trust for which the collection is held for the entire collection to be kept together.*
 - *The trust agrees in principle (subject to confirmation by the new Trustee body) that the terms of the proposed Service Level Agreement are acceptable from the perspective of the Trust.*
 - *The trust agrees to accept the advice of the Steering group that the transfer of staff to the new trustee company should continue to proceed on the basis that TUPE applies to the transfer.*
 - *The trust agrees that an application be made on behalf of the Trust for admitted body status to the Southwark pension Scheme for SLG staff being transferred from Southwark Council.*
4. *The Executive agrees the draft Service Level Agreement (Appendix 4) and authorises Officers to sign the agreement to take effect from 1 April 2003.*
 5. *The Executive notes the position with regard to the ownership of the property occupied by South London Gallery and notes that the new trustee will need to seek changes to the Land Registry entries once the new Company takes over as Trustee.*
 6. *The Executive agrees in principle to transfer No 67 Peckham Road on terms which secure the redevelopment of the property for use in connection with the gallery within a 5 year time-scale, and authorises officers to develop an appropriate legal mechanism to support this transfer.*
 7. *The Executive notes the position on the transfer of Staff and that it is the Council's intention to transfer the existing permanent staff employed at the SLG to the Trust under TUPE.*
 8. *The Executive notes the advice on the SLG Collection and agrees to accept the Collection subject to ongoing negotiations on the terms of the draft loan agreement (Appendix 6) and the final agreement of the Trust. The Executive authorises Officers to conclude these negotiations once the independent company has been established and in the interim the Council retains*

management of the Collection.

9. *The Executive notes the advice on the transfer of the SLG Endowment Fund.*
10. *The Executive notes that the trust will be applying for the discretionary 20% relief from NNDR as a charity in addition to the mandatory 80% relief for charities.*

BACKGROUND INFORMATION

11. The South London Gallery was established in 1868. In 1891 it moved to its present site and become a charity. In 1900 the Charity was transferred to the Borough of Camberwell and subsequently to the London Borough of Southwark which became its sole corporate trustee.
12. In 2000 the Gallery was accepted onto the first stage of the Lottery Funded Arts Council Stabilisation Programme. Stabilisation aims to assist arts organisations to achieve long term stability. Stabilisation involved a thorough review of the role, activities, funding, staffing and legal position of SLG including investigating options for future management and governance of SLG (the Strategy for Change). The technical advice or consultancy necessary has been funded by the programme (up to £35,000 in phase 1).
13. Following the Ratification Committee's decision of 9 April 2002 the Strategy for Change was submitted to the Arts Council and was successfully awarded £416,000. £165,000 of this as revenue for 2003/2004 and the remainder to implement the changes recommended in the Strategy for Change.
14. The success of this bid brought an in principle commitment of revenue funding of £200,000 per annum from London Arts for 3 years from 2003/2004 subject to the Council making a contribution of £170,000 per annum for the same period.
15. On 6 November 2001 Ratification Committee decided to establish a Steering Group for the purpose of advising the Council of future arrangements for administration of SLG. Committee took the view that there were significant benefits to establishing a Steering Group to act as a source of impartial and independent advice to the Council when exercising its responsibility as a Trustee of the South London Gallery. This brought a clearer separation from normal council business so that the Trustees are seen to be acting in the best interests of the trust and not the Council
16. More information on the history of the Gallery and the successful recent bid to the Arts Council Stabilisation Programme is given at Appendix 3.

KEY ISSUES FOR CONSIDERATION

17. Normally when the Council is considering matters concerning the administration of the charity and making decisions on behalf of the charity the Council is acting as a trustee and not in any other capacity. Under Charity law the Trustees must act in the best interests of the trust and avoid potential conflicts of interest with their role as Councillors. Wherever necessary independent advice should be sought. This report concerns decisions that the

Council needs to make in its corporate capacity as a local authority although members will note the advice given by the Steering Group to the Council as Trustee.

18. A further report will be presented to the Executive in March that will seek agreement on the outstanding issues that the Council needs to agree as Trustee, principally to agree the transfer of trusteeship to a new independent company that will act as sole corporate trustee.

19. The process of review has set out an ambitious vision for SLG as:

A nationally and internationally recognised centre of excellence in the provision of contemporary visual art exhibitions and live art with substantial and diverse audiences, more than 50% of which live locally to the Gallery. The gallery is uniquely well placed to engage a wide range of communities in its activities due to its location in a residential area with a culturally diverse population and relatively high levels of social and economic exclusion. The gallery's proximity to three of London's leading art schools also makes it a vital teaching resource.

20. Central to the vision for the future is the development of its audience, particularly its local audience, in terms of both visitor numbers and diversity. This is achievable through adequately resourced education and outreach programmes combined with an effective marketing strategy.

21. Ongoing support for SLG is given because it contributes to key Council priorities (outlined below). With the additional financial and capital resources that the Gallery will be able to attract with independent status, the SLG will contribute to more of these priorities and to much greater effect.

22. Establishment of a new company limited by guarantee to replace the Council as corporate trustee of SLG will bring about a clearer separation of responsibilities between the Council and the trustees and avoid any potential conflict of interest in discussing gallery matters. It will also allow the Gallery to bring in trustees who have specific skills that are invaluable to its continued operation and development alongside representatives of the Council.

23. The establishment of the new board of trustees will lead to a change in the nature of the relationship between the Council and SLG. The most appropriate mechanism for the Council's continued support is through a service level agreement similar to those in place for other organisations that the Council grant-aids. A draft is attached at Appendix C for Executive Consideration.

24. The proposed timescale for achieving the necessary change is that SLG should become fully independent by 1 April 2003. The Arts Council funding has allowed the planning and the implementation of the changes outlined in the report of the Steering Group to take place throughout 2002/2003 and 2003/2004 financial years.

25. It is intended that staff (3 Full Time Equivalents) will transfer under TUPE regulations. Subject to ongoing and meaningful consultation with staff and Unions a transfer of staff could then take place on or near 1 April 2003.

26. Acceptance of the SLG Strategy for Change has already led to the unlocking of significant financial support from the Arts Council/London Arts. This will allow SLG to operate at higher level than at present, building on its local, national

and international reputation as a cutting-edge centre for the visual arts. It will also allow SLG to develop its local audience (which already accounts for more than 50% of its visitors) and promoting social inclusion and life-long learning through innovative education and outreach work. Resource Implications are outlined below.

Policy Implications

28. Support for the South London Gallery is given because it contributes to the Council's Priorities as represented in the Community Strategy, in particular:
- **Tackling Poverty** – the Gallery provides innovative education and outreach projects to local residents and young people, many at risk of social exclusion.
 - **Making Southwark Cleaner and Greener** – the proposals for the building project will enhance the local environment and the activities of the SLG engender local pride.
 - **Raising Standards in Schools** – SLG works with local schools, emphasising creativity in the Curriculum. The proposed increase in dedicated education space will enhance SLG's work with schools and allow teacher-training activities to take place.
 - **Cutting Crime and Fear of Crime** – SLG provides a safe and stimulating environment for local people and provides activities for young people.

No 67 Peckham Road

29. 67 Peckham Road is a semi-derelict house adjacent to the entrance to SLG. Southwark Council acquired it in 1995 for a scheme to extend SLG in partnership with Camberwell College. The scheme was unsuccessful in attracting external funding and the Council has been unable since then to raise sufficient funds to convert it for this or any other purpose.
30. No 67 is seen by the Steering Group as essential to the longer-term development of SLG. The limitations of the existing site mean that there are few options as to how SLG can be extended to provide better public facilities, education spaces etc. that are critical to the future development of SLG and to its ability to contribute to the Council's key priorities.
31. The Steering Group's advice to the Council as Trustee is that it is feasible to complete a suitable scheme within 5 years. The Trust could secure capital funding and develop a scheme to bring it into use as education space and space for artists residencies linked to the education programme within 3 years with completion of this on a 5 year timescale. In the longer term the Trust could develop a larger scheme incorporating No 67 as part of a redevelopment of the whole SLG site.
32. Officer advice to the Executive is that the Executive should agree to transfer the trust an option on the basis of a 5-year timescale for completion of a Scheme. On completion the property could transfer to the trust by way of a 125-year lease at a peppercorn.
33. Members should note that the value of the property is estimated to be in the order of £225,000 and that it could be sold now to fund the capital programme. Members, in recognising the original purpose of the purchase by granting a 5 year option to the trust and potentially granting a 125 year peppercorn lease, are foregoing this receipt for at least the period of the option and possible for the term of the 125 year lease. Of course, if the 5 year timescale is not met the Council will be free to sell the freehold.

34. The Local Government Act 1972: General Disposal Consent 1998 gives consent to a disposal that consists of a term of more than 7 years where the terms of the disposal require use of the land for certain purposes (including a Charity (within the meaning given in section 96 of the Charities Act 1993)). The South London Fine Art Gallery & Library Trust falls within this definition.
34. The Council as trustee currently holds the freehold of the land occupied by SLG and by the old part of Camberwell College. The land occupied by Camberwell College was leased in 2 separate Charity Commission Schemes of 1906 and 1912. The 1906 Scheme leased the site for a term of 900 years to London County Council (later succeeded by the London Institute as the Governing Body of Camberwell College).
35. The Land Certificate documents indicate the registered proprietor as “the Mayor and Burgesses of the London Borough of Southwark”. A change of the registered proprietor will follow on from the transfer of the land from the Council qua trustee to the Trust Company qua trustee, subject to the new owner making the necessary application.
36. The Steering Group Report to the Council as trustee outlines the short-term plans for improvements to access and education spaces at SLG.
- Collection**
37. From the beginning the Gallery acquired and used an extensive collection of works of art. In the past the record keeping of the Gallery was patchy and inconsistent with numerous works never accessioned properly until the 1950s. More detail is given at Appendix 5.
38. Approximately 5 years ago the Council employed a part-time Collections Officer whose job it was to document and manage the collection, increase access to it and who also carried out extensive research into the provenance and ownership of the Collection. In spite of this long period of research it has not been possible to provide conclusive evidence of whether acquisitions made since Camberwell Borough took over as trustee were made on behalf of the Council (and its predecessors Camberwell Vestry and Camberwell Council) or the Trust.
39. Because there is a lack of authoritative evidence and because of the spirit in which the SLG has been run (i.e. that in most matters functioning as a charitable trust administered by the Council) it could be argued that all acquisitions were received to the Trust collection. However it could equally be argued that those involved in collecting acted in ignorance of the potential trusteeship. The SLG Steering Group, in its advice to the Trust, concludes that the bulk of the collection is in the ownership of the Charity.
40. It seems likely that the earlier acquisitions, many of them by donation or bequest for the public benefit are in the ownership of the Trust. These comprise the higher value items (in financial terms). The ownership of the remainder of the collection of some 5,000 objects remains unclear although it is possible that the costs of further research (that could in the end prove inconclusive) likely to outweigh the financial gain were they to be sold.
41. In any case there are other factors that limit the ability of the Council to dispose of the Collection in this way (listed in Appendix 5). These include the Council’s

- own Acquisition and Disposal Policy (adopted in 1995) that includes a strong presumption against disposal, prohibits sale for financial gain for purposes other than the development of the collection itself and sets out a procedure whereby items for disposal must be offered to other museums first. The disadvantages of sale, not least the potential financial risks now and in the future (e.g. disqualifying the Council from future Heritage Lottery awards for projects like the Southwark Discovery Centre), outweigh the advantages of this course of action.
42. The Collection as a whole is a significant educational asset that has been used alongside the Cuming and other collections for a range of educational purposes. The proposal to develop the Southwark Discovery Centre will provide improved facilities and services to make the most of this opportunity. The SLG collection is a key part of the vision for the Discovery Centre and would allow the level of use of the SLG collection to be increased and its care and management improved.
 43. The future development of SLG positions it as a nationally and internationally recognised centre of excellence in the provision of contemporary visual art exhibitions and live art. Activities that do not rely on the use of the Collection. The Steering Group's view therefore is that the Collection is not central to its vision but that the collection should be retained as a whole. The Steering Group acknowledges that the loan of the collection to the Council for the purpose of managing and using it as part of the SDC development is the best way of maximising and unlocking the educational potential of the collection whilst ensuring that it continues to benefit the people of South London.
 44. It is therefore recommended that the Council agree to accept the collection on a 5-year reviewable loan agreement from the Trust with the intention that the Collection be used as part of the development of the Southwark Discovery Centre. The Executive is also asked to authorise Officers to continue and conclude negotiations on the terms of this agreement.
 45. The cost of managing and using the Collection is currently met through the Council's Culture & Heritage Unit and through external funding secured by Officers within Culture & Heritage that it is not proposed will transfer to the Trust. An estimate of this is shown in the table below covering the last three financial years. On this basis the cost of continuing to manage and provide access to the Collection can be met within existing resources and the Discovery Centre Scheme will secure funding for its longer term storage and display and for an enhanced level of access by schools and others than is possible at present. Details of these costs are set out in Appendix 5.

NNDR

46. At present the SLG pays NNDR (non-domestic rates) in the same way as all other council buildings. When it becomes an independent Charity it will qualify for a mandatory 80% relief with a further 20% being at the discretion of Southwark Council. In the current year the rateable value is £17,000 with £7,429 being paid in NNDR. Non-domestic rates are collected by Liberata on behalf of Southwark Council and then passed to central government. 100% of the 80% mandatory relief is covered by central government the discretionary 20% equates to £1,486 (the cost to the Council per annum of offering the 20% discretionary relief). An application has been made for 100% rate relief. Applications are determined under delegated powers in accordance with

adopted policies and procedures on the basis of:

- *Arrangements for access* – open to all sections of the community, use by schools and community groups etc.
- *Provision of facilities* – the contribution SLG makes to the amenities in the area, the provision of education etc.
- *Local Services* – the number of residents of Southwark benefiting from the activities of SLG.
- *Finances* – the impact of the rate relief on the finances of SLG once independent.
- *Cost to the Council.*

The Executive is therefore asked to note rather than agree this application.

HR Issues

47. At present the Council employs the three permanent members of SLG staff (Director, Curator and Gallery Officer (Admin)). It is intended that these members of staff will transfer to the employ of the Trust when the change of trustee begins.
48. The advice of the Council's legal section has been sought on staff transfers and the implications of the Transfer of Undertakings Protection of Employment Regulations. Our advice is that TUPE will apply to transfers of staff when the trustee changes. This was confirmed by external advice from a Barrister in 1998. The Trust, through the Steering Group has been asked to confirm from its side that TUPE will apply to the staff transfers. The Executive is therefore asked to note the intention to proceed as if TUPE applies and to transfer the 3 members of staff concerned under TUPE. Consultation is ongoing with staff and Unions and staff have been issued with interim notification of the proposed TUPE transfers. Bearing in mind the small number of staff concerned and dependent on the outcome of the staff and union consultation process it is hoped that this can take place on or near 1 April 2003, allowing due time to meet our obligation for meaningful consultation.
49. Under TUPE staff transfer with their existing terms and conditions of service preserved. The one exception is with pensions where the obligation is to provide a comparable pension. The view of the Steering Group advising the council as trustee has been that it would wish to apply for admitted body status to the Local Government Pension Scheme for the staff that transfer. The process of application for admitted body status has been commenced and details of staff concerned have been passed through our pensions section to the Actuary for an estimate of the cost to the SLG. A draft agreement is currently being considered. The aim is that the application is completed and the agreement signed by the time of transfer so that there is no gap for the staff concerned. It is intended that this arrangement will be closed and apply only to those staff transferred rather than to new employees of the Trust.

Endowment Funds

50. The Council holds endowment funds totalling £258,853 as trustee of SLG. At present these generate interest (for 2001/2002 approximately £11,000 but averaging c£15,000 over a longer period of time) that is passed into the SLG Cost Centre annually to support the cost of operating the Gallery. The advice of the Council's Chief Finance Officer is that once the Council ceases to be trustee these funds need to be transferred to the Trust's bank account.

- to raise a further £250,000 (Regional Arts Lottery Programme and others) to match the Council's contribution for this scheme and the architects Stanton Williams have been engaged to develop the Scheme.
55. The Human Resource implications are detailed at paragraphs 47 –49 above.
56. The implications for collection of no-domestic rates are outlined at paragraphs 45-46 above. A cost to the Council of £1,468 for 2003/2004.
57. As detailed in paragraph 32 the Council, in granting a 5 year option to the trust, are foregoing a capital receipt (estimated value £225,000) for at least the period of the option and subject to the Trust complying with the option period, possibly for the term of the 125 year lease.

Consultation

58. Consultation in connection with the Stabilisation Programme and the Strategy for Change has been undertaken as follows:
- With stakeholders - Arts Council of England, London Arts, Southwark Council and Steering Group
 - With staff
 - With users/participants - Visitor Survey May 2001
 - With public - Market Research to find out more about the gallery's potential market, Morris Hargreaves McIntyre (2001)
 - With galleries - consultation with a peer group of galleries on aspects of the vision
 - With specialist independent advisers - Loveday Shewell, Legal, etc.

Consultation with staff and Unions on the transfer of staff and the TUPE issues are ongoing.

LEGAL IMPLICATIONS – CONCURRENT REPORT FROM BOROUGH SOLICITOR AND SECRETARY

59. In considering this report Members are reminded that they are making decisions in their normal role as local authority and that they are not required to give primacy to the interests of the South London Gallery but should have regard to the interest of the council tax-payers and residents of the borough.

New Trust Company

60. Members should note that the new trust company will be a company limited by guarantee with up to 12 directors on the Board of Directors.. There is no provision in the draft Memorandum and Articles of Association which gives the Council the right to appoint or nominated directors: this avoids any potential difficulties with the restrictions in the Local Government and Housing Act 1989 on companies in which local authorities have interests. The Council's continued representation on the board will depend on the policy and practice of the trust company, which could change at any time.
61. It is not clear whether the new trust company will itself be registered as a charity as well as a company. This will be a decision for the directors of the company.

Transfer of land

a) Existing Gallery

62. Once the new company has been established, the Council can effect transfer of the land by means of a legal document which will be registered at the Land Registry incorporating details of the trust on which the land is held. As this land is held by the Council as trustee of the Gallery the usual provisions of section 123 of the Local Government Act 1972, the need to obtain best consideration, will not apply.
63. There are restrictions in the Charities Act 1993 on dealing with charity land except in limited circumstances that will not apply here. Prior to the Council sealing the transfer the Borough Solicitor will need to receive satisfactory confirmation from the Charity Commission either that the transfer is not subject to these restrictions or that the Charity Commission's consent to the transfer has been obtained.

b) 67 Peckham Road

64. 67 Peckham Road, although acquired by the Council with a view to extending and improving the Gallery, is not owned or held on trust. Any proposal to dispose of the site to the Gallery will therefore be subject to the usual requirements to obtain best consideration or get the consent of the Secretary of State.
65. As indicated in the report there is a general disposal consent which enables local authorities to grant leases to registered charities and this would be appropriate here.

Transfer of collection

66. The proposals concerning the collection are indicated in the report. There is no need to execute any formal documentation concerning the collection to effect transfer of trusteeship, nevertheless it would be good practice for an agreed inventory of the works in the collection to be signed on behalf of both the Council and the Trust to provide clarity for the future.

NNDR

67. The Borough Solicitor's advice is that it is preferable for the decision concerning the Gallery's application for discretionary rate relief to be considered in the normal way rather than by the Executive. This would avoid any suggestion that the Gallery was receiving special consideration because the Council was its corporate Trustee.

Personnel and Endowment Funds

68. The legal advice concerning the transfer of staff and endowments funds is contained in the body of the report.

Other matters

69. Details of the terms of the proposed service level agreement and loan agreement are contained in the appendices. Both documents have been reviewed by the Borough Solicitor or her staff and are acceptable.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

70. The proposal for the future of the SLG has involved Officers in a number of Council departments working together to achieve a smooth transfer and to ensure that we maximise the contribution that SLG makes to our key priorities. A number of these are listed in Appendix A.
71. Advice has been sought from other Officers on the Human Resource Issues (Head of Human Resources, Pensions Manager and Legal Section), financial issues including non-domestic rates (FMS), property ownership and transfer of No 67 Peckham Road (Property and Legal Sections). This advice has been incorporated in the body of the report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
<i>Files of Legal Advice on SLG</i>	<i>15 Spa Road and South London Gallery</i>	<i>Stephen Douglass 020 7525 1579</i>
<i>Officer files including Stabilisation application and Strategy for Change</i>	<i>15 Spa Rd and South London Gallery</i>	<i>Stephen Douglass 020 7525 1579</i>
<i>Details of Phase 1 building scheme</i>	<i>South London Gallery</i>	<i>Stephen Douglass 020 7525 1579</i>

Audit Trail

Lead Officer	<i>Dr, Roger Smith, Director of Education & Culture</i>	
Report Author	<i>Stephen Douglass, Culture & Heritage Manager</i>	
Version	<i>Final</i>	
Dated	<i>17 February 2003</i>	
Key Decision?	<i>Yes</i>	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	Yes	Yes
Head of Property	Yes	Yes
LBS Pensions Manager	Yes	Yes
Contract Monitoring Officer (non- domestic rates)	Yes	Yes
Head of Human Resources	Yes	Yes
Executive Member	Yes	No
Date final report sent to Constitutional Support Services	17 February 2003	

Appendix 1

Decisions of Southwark Council Ratification Committee Tuesday 9 April 2002

The Ratification Committee agreed:

That option 2 as set out in paragraph 5.2 of the report and summarised below be pursued.

Option 2: To agree to additional funding in 2002/3 and 2003/4 of £39K, which will bring the current budget up to the level required to maintain and develop the service, (including continuation of Arts Council Stabilisation Funding of 100K pa). To also agree (in principle) to increase that funding by an additional £45K in the years 2004-2007 (a total of £170K in each of the three years). The need for this additional funding is contingent on acceptance of the South London Gallery's bid for the Strategy for Change of which the full details and implications are outlined below. The decision to pursue this option is time-limited and needs to be taken in early April (at the latest) if future funding from the Arts Council and The London Arts Board is not to be jeopardised. The steps for this option are summarised below as 'a to h'.

- a) Submission to the Arts Council of the Strategy for Change for SLG
- b) Subject to the Arts Council's acceptance and funding of the Strategy for Change and Charity Commission Approval of the changes, to the transfer of trusteeship from Southwark Council as the sole corporate trustee to an independent company limited by guarantee with membership as detailed below.
- c) Subject to the acceptance of the Strategy for Change, to the establishment of a 3-year Service Level Agreement for Southwark Council's continued revenue support to SLG. The agreement will cover the period from 1 April 2004 – 31 March 2007. The form and content of the agreement to be negotiated with the new corporate trustee company once formally legally constituted and reported back to Committee at that stage.
- d) To make an in-principle agreement to revenue funding of £170,000 per annum from 1 April 2004 subject to the above steps having been concluded. This is to be conditional on matching funding of not less than £200,000 per annum being received from the Arts Funding System for the period of the Service Level Agreement. In 2002/3 and 2003/4 revenue funding will be increased by £39K to meet the minimum budgetary requirement of £125K.
- e) Subject to a,b,c and d in place, to transfer full responsibility for the operation and management of SLG to the new corporate trustee company, including responsibility for the building, and other assets of the company.
- f) To commence consultation with staff and UNISON over the transfer of existing SLG staff to the employment of the SLG Trust.

- g) Subject to the new trustee body being in place, to commence negotiations over the future of the South London Gallery Collection.
- h) To retain the existing South London Gallery Steering group to continue its role in advising the Council as trustee in the period (2002/2003) leading up to the formal transfer of trusteeship.
- i) That funding be sought from existing resources (not reserves). If this is not possible then a report be brought back to Committee for consideration.
- j) That it be made clear to the Arts Council and London Arts that should funding be withdrawn from other sources after 31st March 2007, Southwark Council has no obligation to continue funding at the level agreed.

Appendix 2

SOUTH LONDON GALLERY

Report of the Steering Group to Southwark Council as Trustee of the South London Gallery

Background

- 2.1 The Steering Group was established by Southwark Council Ratification Committee in November 2001 to make recommendations to the Council on the administration of South London Gallery, a charitable trust set up in 1891 of which the Council is sole Trustee.
- 2.2 The Steering Group was charged with making recommendations on the proposal that the Gallery should separate from the Council, which was being investigated with support from the Arts Council of England's (ACE) Stabilisation programme. The Steering group had endorsed the vision which the Director, Margot Heller, has outlined for the Gallery and its future. This is to show exhibitions of contemporary visual art, with a strong national and international profile, whilst providing a valuable resource for local residents in an area poorly served in contemporary visual arts. Educational activities both within and outside the gallery will be developed as resources, both physical and financial, become available.
- 2.3 In its last report to the Council in April 2002, the Group recommended, and the Council agreed, that the Strategy for Change should be submitted to the ACE, as a bid for support for transition of the Gallery to independence. This was successful and the implementation of this Strategy is being supported by a Stabilisation Award of £400k. This report summarises progress towards independence, which is planned to start on 1 April 2003, and sets out the Steering Group's advice to the Council as trustee of the charity.

Constitutional arrangements

- 2.4 The Strategy for Change was developed with legal advice from Bates Wells Braithwaite, which recommended that the constitutional change be made by setting up a new company, limited by guarantee, which will take over as sole trustee of the charity.
- 2.5 The Memorandum and Articles for the company have been drafted and the company will be incorporated shortly. There will be 8-12 directors consisting of 3 LBS Councillors (with cross party representation), artists and individuals involved in education, and those with expertise in finance, legal matters, fundraising, and marketing.
- 2.6 In order to ensure a smooth transfer to independence, the Steering Group recommends that this process is phased by setting up the company initially with three directors. These should include Rosy Greenlees, the current Chair of the Steering Group, to ensure continuity with the Steering Group. Councillors should be invited to join the Board after separation, to avoid any conflict of interest. The change of trustee for the charity has been agreed in principle by the Charity Commission, and the formal process of the transfer is continuing.

Financial arrangements

- 2.7 A key part of the Strategy for Change was the partnership funding agreement between LBS and the ACE to ensure adequate funding for the gallery to realise its vision at a level of sustainable activity. This brought an agreement from London Arts (LA) to fund the Gallery at the level of £200k/annum in its next 3 year funding round from 2004/5 to 2006/7. Formal confirmation is expected in March. For 2003/04, £165k is being received from ACE as part of the Stabilisation award.
- 2.8 LBS has already agreed to fund the gallery at a level of £170k/annum from 2004/05, with £125k in 2003/04, subject to confirmation of the funding agreement with LA/ACE. This will be made available through a Service Level Agreement. The draft agreement is attached.
- 2.9 As a Charity, the Gallery will be able to claim the mandatory 80% rate relief. The Steering Group recommends that the Gallery apply for the further 20% discretionary rate relief, which was assumed in the financial plan agreed as part of the Strategy for Change.

Staff

- 2.10 The Steering Group has received conflicting legal advice on the position of the three employees of the Gallery. Bates Wells Braithwaite are of the opinion that TUPE does not apply, as it is only the trusteeship that is transferring not the SLG undertaking. However, the Council's legal department have confirmed their view that the TUPE rules apply. The Steering Group advises that, to avoid a lengthy legal debate, TUPE should apply and this process has started.
- 2.11 Delivering the vision of the Gallery as an independent organisation requires a greater investment in the staff team. A new staff structure for the gallery has been devised, with advice from an independent specialist, with benchmarking within the peer group of galleries. Provision for the cost of this new staff structure, with pay, terms and conditions comparable with the peer group, was included in the Strategy for Change. Recruitment for the new posts, which is supported by the Stabilisation award, will begin shortly so that the Gallery will be fully staffed as soon as possible after independence.
- 2.12 The new Trustee Company will apply to be an "Admitted Body" of the LBS Pension scheme in order to fulfil its obligations to the transferred staff. The other staff will be offered a stakeholder pension.

Independent systems

- 2.13 With the support of the Stabilisation award, the Gallery is receiving independent specialist advice on:
- IT systems, including web access and email
 - Finance systems and accounting package
 - VAT
 - HR systems and pensions.
- 2.14 The Gallery expects to have its independent systems up and running in time for independence. Some systems will need to run in parallel for an interim period,

e.g. the Council's finance system will continue until the close down of the financial year.

The collection

- 2.15 The Steering Group has continued to explore the question of the ownership of the Collection. Most of the SLG Collection is clearly owned by the Charity, being donated to the Gallery or purchased by the Council acting as trustee of the Charity. The charity's Collection cannot be sold or disposed of without the permission of the Charity Commission. A few works are thought to be owned by the Council and there are some works whose ownership is not clear, as between the Council and the Charity. However, as stated in the previous report to the Council, any negotiation about the ownership of these works should be delayed until the new Company takes over as Trustee of the gallery, to avoid any conflict of interest. In the meantime, the Steering Group recommends that the Collection be kept together.
- 2.16 Displaying the Collection, although stored at the gallery, has not fitted with the programme of temporary exhibitions of contemporary art organised by the Gallery in recent years, or envisaged for the future. (Indeed, the uncontrolled environmental conditions and high natural light levels in the gallery are unsuitable for the display of most of the works in the Collection.) Instead loans from the Collection have been made to other public galleries, works have been displayed in other LBS museums and council buildings, and have been used as teaching resources. In order to ensure that the residents of Southwark continue to have access to the collection, the Steering Group recommends that the Collection be loaned to the Council and managed by the Culture and Heritage service alongside the Council's other collections. A draft loan agreement is attached for information.
- 2.17 The Steering Group understands that the collection could form an important part of the proposed new Discovery Centre, which would greatly increase public access. However, in the meantime, it recommends that the Collection should be moved from the gallery store to a Culture and Heritage service building.
- 2.18 The works acquired recently through the Contemporary Art Society remain in the ownership of the CAS until 2014. It will be for the CAS to decide whether ownership should then pass to the Gallery or to the Council. Initial discussions suggest that ownership should pass to the Gallery as most of the purchases arise from or are connected with the current exhibition programme and have been acquired because of their value as a teaching resource.

The building

- 2.19 The freehold Gallery building and its land are permanent assets of the charity. The Steering Group advises that a change in the land registry entry will be necessary when the trusteeship is transferred to the new company.

Interim building works

- 2.20 There is an urgent need for some interim building improvements to provide disabled access to the gallery and separate space for education. With the support of the Stabilisation award, the architects Stanton Williams were

selected to work with the gallery on a scheme of improvements. A package of works to provide:

- Full disabled access by providing a slope to front entrance, some tidying and lighting of the front area, improvements to the corridor (including lighting), a stair lift into the gallery, a disabled WC, power assistance to the external and WC doors.
- An education room in one of the spaces behind the gallery, currently used for storage.
- Renovation of the gallery floor and the walls recladded .
- A temporary structure in the rear garden for use as a workshop/store. The garden will be tidied with some landscaping and seating.
- Offices on the first floor, in place of the art store following the removal of the collection, with one accessible office on the ground floor. The meeting room/staff kitchen will remain.

2.21 This has been costed at £400k, including fees, fittings, VAT etc. LBS has already allocated £150k towards improvements to the gallery building and a further £90k is being applied for from the Regional Arts Lottery Programme. The balance is being raised from trusts and individuals. Planning permission is expected in March and the works will be carried out during 2003/04.

The adjoining property

2.22 Even with the improvements set out above, the space within the Gallery remains very constrained. There have been a number of architectural schemes to expand the gallery to improve access and services to visitors, including one in partnership with Camberwell College of Art. The adjoining property, 67 Peckham Road, was purchased by LBS in 1995 with the specific intention for use by the Gallery for this scheme, which was abandoned because of failure to raise the substantial capital funds needed.

2.23 Although it may be possible in the very long term to undertake such a comprehensive scheme, the Steering Group believes that it would be possible for the Gallery as an independent organisation, to raise funds for a simple scheme to refurbish the property to bring it into use for Gallery activities, in particular for increased education space, some social space and possibly some basic accommodation to facilitate the development of an artist's residency programme to tie in with the education and outreach programmes. The Steering Group believe that the 5 year option period proposed to be granted to the Trust by the Council gives the Trust a realistic timescale for this process to take place. The interim scheme provides limited additional space for education, which will enable an expansion of the service but continue to restrict the range of possible activities.

2.24 This use of the property would meet the Council policy objectives:

- Tackling poverty:
The Gallery has an excellent track record of providing innovative education and outreach projects to primary and secondary schools as well as to local residents most at risk of social exclusion, e.g. a weekly class for local adults with learning difficulties. A larger and separate space will open up the possibilities for after schools clubs, activities for families and lifelong learning. Such activities encourage creativity which has wider benefits

such as improving confidence and increasing self-esteem, as well as developing new, transferable skills.

- Clean & Green

Bringing the now derelict property into public use will improve the immediate environment of Peckham Road, enhancing the profile of the gallery and the cultural activities in the locality, engendering local pride.

Many artist led activities focus on the use of recycled materials and environmental issues.

- Raising Standards in schools.

The Gallery's collaboration with schools emphasises creativity within the National Curriculum. The increase in dedicated space for education would enhance the Gallery's work with schools by allowing practical activities to be offered to whole classes, which is not possible at present except in the gallery space itself. It would allow training and INSET days to be provided for teachers, as well as social space for informal gatherings.

- Providing a safe and stimulating environment.

In use as the gallery's education centre, the property would provide a safe and stimulating environment, clearly visible and accessible to all including unaccompanied children, directly from Peckham Road. This will encourage all visitors, of whom 50% are local residents, to spend longer engaging with the gallery and its activities.

- 2.25 The Steering Group has obtained a survey of the property and outline estimates for a simple refurbishment of the property. It believes that it would be possible to raise the capital funds required within a few years, provided the Council is prepared to grant a long lease of the property, or pass the freehold to the Gallery, as its contribution to the scheme. The Steering group therefore advises that it would be in the interests of the Gallery if the Council were able to retain the property for up to 5 years, to allow funds to be raised and a refurbishment scheme planned, before the property is transferred to the gallery.

Time scale and risk

- 2.26 Independence is planned for 1 April 2003. All tasks critical to independence are being closely monitored and are on track at present. The main risk outside the control of the Gallery is the Charity Commission procedure, which it is hoped will be completed in time.

LS
7/2/03

Appendix 3

Background On The South London Gallery & Stabilisation

- 3.1. The South London Gallery was established in 1868 and has been on its present site since 1891 when it was registered as a charity with the Charity Commissioners (under the name South London Fine Art Gallery and Library). In 1900 it was transferred to the Borough of Camberwell and subsequently to the London Borough of Southwark which became the sole corporate trustee.
- 3.2. The aims of the Gallery as set out in its Trust Deed (executed 25 May 1891) are:

“to provide for the people of South London a gallery of works of fine art and a library of high character with a reading room and also lectures on the subject of art, science and literature and generally to promote acquaintance with art, science and literature among the inhabitants of the South of London”
- 3.3. Since 1992 the Gallery has built an international profile for the quality of its exhibitions and associated education programmes that now focus on cutting edge contemporary art. As a result it is in the position where it is regarded very much as a centre of excellence for the visual arts and provides a very diverse programme which is largely funded from sources external to the Council.
- 3.4. The Council is, as a corporate body, the charitable trustee of the Gallery and administers the charity, makes available monies each year for the running of the Gallery and the purchase of works of art. The accounts for the charity are kept as a separate cost centre within the Culture & heritage Business Unit of the Education & Culture Department. The Gallery staff are employed by the Council as trustee.
- 3.5. In 2000 the Gallery was accepted onto the first stage of the Lottery Funded Arts Council Stabilisation Programme. Stabilisation aims to assist arts organisations to achieve long term stability.
- 3.6. In the case of SLG this was a 2-stage process – the first stage involved a thorough review of the role, activities, funding, staffing and legal position of SLG including investigating options for future management and governance of SLG (the Strategy for Change). The technical advice or consultancy necessary has been funded by the programme (up to £35,000 in phase 1).
- 3.7. On the agreement of the Ratification Committee the resulting strategy for change was submitted to the Arts Council for agreement to fund a programme of change lasting up to three years which constitutes phase 2 of the programme. Stabilisation resulted in the funding that SLG receives from London Arts being reviewed. London Arts have indicated that from 2004/2005 they will significantly increase their funding from £23,000 to £200,000 per annum, subject to certain conditions being met.
- 3.8. A condition of the Stabilisation bid was that the Strategy for Change must be completed and agreed by early April 2002. At this point a decision was needed by the Council as trustee on which option for change it wished to pursue so that this could be incorporated into the bid to the Stabilisation Unit of the Arts Council later in April 2002.

- 3.9. The review that has been undertaken considered the future management and governance of SLG and the process of examining the options, including the option of the establishment of a new company limited by guarantee separate from the Council, has been completed with independent legal and other technical advice paid for through the Arts Council Stabilisation Fund in addition to advice from Southwark Council Legal Section. This proposal was subject to Charity Commission approval, and in principle agreement was given although more detailed advice on whether this will require a Charity Commission Scheme is awaited.
- 3.10. On 6 November 2001 Ratification Committee decided to establish a Steering Group for the purpose of advising Committee of future arrangements for administration of SLG. Committee took the view that there were significant benefits to establishing a Steering Group to act as a source of impartial and independent advice to the Council when exercising its responsibility as a Trustee of the South London Gallery. This brought a clearer separation from normal council business so that the Trustees are seen to be acting in the best interests of the trust and not the Council.
- 3.11. Membership of the Steering group comprised:

Cross-Party Representation:

Cllr. Bowman, Lib.Dem
Cllr. Friary, Labour
Cllr. Bradbury, Conservative

Three local artists:

Jeremy Akerman
Janette Parris
Jacqui Poncelet

Three specialists:

Sandy Nairne: (Chair)
Rosy Greenlees (took over as Chair in May 2002)
Rebecca King-Lassman:

Appendix 4
SERVICE AGREEMENT

Between

Voluntary Organisation:	South London Fine Art Gallery & Library Trust
London Borough of Southwark (Department/Section):	Education and Culture/ Culture & Heritage

PURPOSE

1. The purpose of the Service Agreement is to encourage the development of good practice and partnership between the Council and the voluntary sector. The Council and the Organisation agree that the Service Agreement does not have contractual force and does not create a legal relationship between them.

DEFINITIONS

1. In this Agreement:

Organisation means

South London Fine Art Gallery & Library Trust (South London Gallery (SLG))

Authorised Person means any person appointed by the Organisation to be available to be contacted during office hours by the Council.

Council means Southwark London Borough Council.

Link Officer means any person appointed by the Council with responsibilities for monitoring and administering this Agreement.

Grant means

£125,000 2003/04
£170,000 from 2004/05

subject to the
Conditions

Term means

1 year for 2003/04 funding
3 year funding agreement from 2004/05 (subject to annual

review)

Year means 1 April to 31 March.

Services mean the details of the services included in the Specification.

Specification means Part A of the Agreement.

Conditions means Part B of the Agreement.

2. References to **Discrimination** mean, though either direct or indirect action, giving less favourable treatment or applying an unjustified requirement because of race, age, gender, disability, being a lesbian or gay man, marital status, irrelevant convictions, ethnic origin or religious belief, and a failure to take positive action to attract such groups.
3. References to singular words include the plural and vice versa.

SIGNATORIES

Signed on behalf of the Organisation:

Name:

Position: Chair of Trustees

Signature:

Date:

Signed on behalf of the LB Southwark:

Name:

Position:

Signature:

Date:

PART A: **SERVICE SPECIFICATION**

1. *AIM AND OBJECTIVES OF ORGANISATION (AND FUNDED PROJECT IF APPLICABLE):*

The South London Gallery (SLG) was founded in 1891 with the explicit purpose of showing contemporary art of the highest quality to the people of South London. The gallery has shown temporary exhibitions of contemporary art ever since, with particular success and to the greatest acclaim over the past ten years. The SLG has been a registered charity since 1894.

Located in Peckham the SLG is a nationally and internationally recognised centre of excellence in the provision of contemporary visual art exhibitions and live art with substantial and diverse audiences. It is one of London's foremost contemporary art spaces, providing a programme of:

- contemporary exhibitions
- live art events
- workshops; and
- talks

Central to the vision for the future is the development of its audience, particularly its local audience, in terms of both visitor numbers and diversity.

2. *SHORT DESCRIPTION OF THE PROJECT WHICH IS SUPPORTED BY GRANT FUNDING¹:*

To provide core funding for the South London Gallery in partnership with the Arts Council of England/London Arts to enable the delivery of its programme, as detailed below. Core funding includes:

- staffing
- building
- administration
- important seed funding for the gallery's annual programme, the remaining funds requiring to be raised project by project.

The SLG's programme includes:

Exhibitions

Since 1992 the SLG has built an international profile for the quality of its exhibitions of contemporary art. It is now one of London's most vital centres for the exhibition of high quality national and international contemporary visual art. The quality and ambition of the SLG's programme has increased significantly over the past ten years, a trend the SLG aims to continue. The artistic programme strands are:

Solo exhibitions

- By internationally recognised artists not having shown in London for a period of time, e.g. Christian Boltanski (Les Abonnes du Telephone, Mar/May 2002)
- By British Artists who have received recognition but not shown on the scale of SLG, e.g. Turner Prize winner, Keith Tyson (Supercollider, Jan/Mar 2002)
- By mid-career international artists not having a shown in London, e.g. Joelle Tuerlinckx (In Real Time, May/Jul 2002)

Group exhibitions

- That bring together works by emerging artists or artists who have not yet shown in the UK, e.g. 20 Million Mexicans Can't Be Wrong featuring Francis Alys, Carlos Amorales, Teresa Margolles, Vincente Razo, Pedro Rayes, Santiago Sierra and Melanie Smith (Sep/Nov 2002). Currently touring at the John Hansard Gallery, Southampton

Offsite Projects

- In tandem with audience development plans, e.g. Joelle Tuerlinckx's Night Cabin at Tate Modern and Solar-Room at the House Gallery, Camberwell; Santiago Sierra's London-wide project in conjunction with 20 Million Mexicans Can't Be Wrong

Live Art

The SLG's Live Art programme has been integrated into the overall creative vision for the future. The artistic programme strands are:

- To feature a stand alone Live Art event focusing on a particular strand of practice which has had little prior exposure, e.g. SLG Live Art: Sum of the Parts, a series looking at collaboration over one day and five nights culminating in the much talked about Fabienne Audeoud and John Russell, *The withdrawal from conversation/the return to the Oceanic: the weight of the breast* (Sep 2002)
- To work alongside the main exhibition programme with Live Art practitioners to make/present work in response to the exhibition and presented during the evenings whilst the exhibition is showing.

Education

Despite limited resources and facilities for education the SLG has managed to deliver a varied programme. Including:

- Exhibition and collection-related talks, e.g. in Conversation with William Furlong, Jean Wainwright, Marjorie Allthorpe Guyton and Mel Gooding, celebrating 30 years of Audio Arts
- Student traineeships and mentoring for HE students, e.g. About Belief, the 6th annual collaboration with Goldsmiths College MA in Creative Curating (Jul/Aug 02)
- Weekly art classes for a local group of adults with learning difficulties.
- Schools' projects, e.g. guided tours of 20 Million Mexicans Can't Be Wrong for 8 local schools participating in PEAZ project; children's activity sheet and a schools programme for Simon Starling (Djungel Jan/Mar 03)

3. *OUTPUTS AGREED WITH RESPECT TO GRANT FUNDED SERVICE OR ACTIVITY² :*

Service/Activity	Quality Standard	Indicator	Data	Quantity Standard	Data
Annual SLG users/participants Total	Monitoring reports completed for each exhibition/event	User/Participant figures for each exhibition/event	Completed monitoring reports	25,000	Visitor monitoring reports
Annual users/participants Gender	Monitoring reports completed for each exhibition/event	User/Participant figures for each exhibition/event	Completed monitoring reports	50% of total users/participants	Visitor monitoring reports
Annual users/participants Young people	Monitoring reports completed for each exhibition/event	User/Participant figures for each exhibition/event	Completed monitoring reports		Visitor monitoring reports
Annual users/participants Schools	Monitoring reports completed for each exhibition/event	User/Participant figures for each exhibition/event	Completed monitoring reports	At least 15 school group visits per annum. To be increased with appointment of Education Officer and dedicated space provided by the Building Project.	Visitor monitoring reports

Annual users/participants People with disabilities	Monitoring reports completed for each exhibition/event	User/Participant figures for each exhibition/event	Completed monitoring reports	At least 45 sessions per annum. To be increased with appointment of Education Officer and improved access / dedicated space provided by the Building Project	Visitor monitoring reports
Annual users/participants Cultural diversity	Monitoring reports completed for each exhibition/event	User/Participant figures for each exhibition/event	Completed monitoring reports	13% of total users/participants	Visitor monitoring reports
Annual users/participants SLG Newspaper	Users/participants satisfaction	Interest in registering to receive newspaper by mail, pick up copies at SLG or other venues, other venues happy to stock newspaper	Mailing list Newspaper distribution list	30,000 per newspaper	Newspaper circulation
Annual users/participants SLG website	Users/participants satisfaction	Number of page impressions indicating people visiting and looking at site rather than hits	Actual page impression report Contact received, particularly registering for information updates	50,000 users	Actual page impression report
Exhibition Programme	Visitor survey satisfaction	70% good or above	Completed survey reports	6 exhibitions	Exhibition programme, private view cards and newspaper
Live Art Programme	Visitor survey satisfaction	70% good or above	Completed survey reports	1 main event 2/3 evening performances	Live Art programme, private view cards and newspaper

Education Programme including workshops & events	Participants survey satisfaction	70% good or above	Completed survey reports	At least 10 events	Education programme and newspaper
Data Protection Act Compliance	Policy for compliance with Data Protection Act (DPA)	100% compliance	DPA registration	Annual registration	Registration reference
Marketing policy	Annual policy for SLG marketing and press	Policy approved by Director and Board	Board minutes	Annual policy	Policy document
Acknowledgement of LBS funding	Current LBS logo supplied	LBS logo applied as appropriate	LBS logo	LBS logo applied as appropriate	Publications/information containing LBS logo
Building H&S policy including COSHH, fire/emergency procedures	Policy for Health and Safety drafted in accordance with legislation; Security and appropriate maintenance contracts	Policy operational and made known to staff through induction session. Contracts in place.	Staff aware of H&S and Security policy Maintenance contracts	All staff aware of H&S/Security policy All maintenance contracts issued and up to date	H&S and Security Policies Maintenance contracts
Financial Annual budget	Approved and balanced annual budget	Balanced budget	Budget approved by Board	Annual budget	Budget
Financial Procedures	Procedures in place for financial recording and monitoring	Procedures operational	Annual and project budgets Management Accounts Cashflow Scheme of Delegation Bank Account with mandate	Annual budget Budgets for each project Quarterly management accounts Quarterly cashflow	Annual and project budgets Management Accounts Cashflow

			Cash handling policy		
Financial Audited accounts	Accounts audited as true and fair	Accounts audited by 31 January, following financial year end, deadline	Audited Accounts	Annual Audited Accounts	Audited Accounts
Administration Insurance including public and employers liability	Adequate insurance provision including public and employers liability	Adequate insurance cover	Insurance certificate	Insurance certificates for contents, public liability and employers liability	Insurance certificates for Employers and Public liability cover certificates displayed as appropriate
Administration Recruitment policy	Recruitment policy including equal opportunities	Policy approved by Director and Board Jobs advertised and interviewed. Recruitment in accordance with equal opps policy. References sought	Board minutes Job advertisements Equal Opportunities Policy Reference requests	Annual policy	Recruitment Policy
Administration Staff policy including terms and conditions; handbook and procedures	Staff have a statement of terms and conditions; job description and contract; staff handbook. Staff Policy to include the above and procedures for leave / toil / sickness; grievance / disciplinary; etc.	Staff statement of terms and conditions (including casual and freelance) Staff Handbook Staff Policy	Staff statement of terms and conditions (including casual and freelance) Staff Handbook Staff Policy	Annual policy and review of conditions in line with legislation	Staff statement of terms and conditions (including casual and freelance) Staff Handbook Staff Policy
Governance	Board members appointed and governing in line with SLG's M&A and	Minutes recording meetings, signed by Chair of meeting as agreed by Board	Minutes of meetings	At least 4 meetings per annum	Minutes of meetings

	company/charity legislation				
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4. *INPUTS DIRECTLY RELATED TO THE GRANT-FUNDED SERVICE OR ACTIVITY*

4.1 Paid staff (including skills or qualifications required)

Job Title	Hours Worked Per Week	Source of Funding for Post	Brief Description of Duties
Director	36	LBS/LA	Responsible for the overall management, policy and direction of the organisation
Curator	36	LBS/LA	Responsible for exhibition planning, Live Art programming and supporting the director in the realisation of the gallery's artistic programme
Head of Finance and Administration	36	LBS/LA	Responsible for the legal, financial and administration of the gallery. To act as Company Secretary.
Marketing and Communications Manager	36	LBS/LA	Responsible for all aspects of planning and implementing promotional and publicity campaigns to raise the profile of the gallery, and develop its audience.

Gallery Manager	36	LBS/LA	Responsible for the preparation and physical installation of all exhibitions and live art events. Responsible for the maintenance and upkeep of the building and health and safety.
Education Officer	36	LBS/LA	Responsible for the artistic and education policy and practice of the SLG.
Gallery Secretary/Admin.	36	LBS/LA	Responsible for providing efficient secretarial and administrative support for the Director and the smooth running of the office.
Bookkeeper (freelance)	7.2	LBS/LA	Responsible for the bookkeeping and financial systems.
Front of House (casual) Front Desk Security Gallery Interpreter	Variable	LBS/LA	Responsible for the front desk, answering telephone, responding to enquiries. Responsible for the security of the gallery and exhibits. Responsible for the invigilation of the programme and communication of the exhibition to the general public and schools.

5.2 Volunteers

Please attach a copy of model volunteer duties

<u>Job Title</u>	Hours Worked Per Week	Brief Description of Duties
Gallery Intern	14	Assisting the marketing and curator with the exhibitions, live art and events programme.

5.3 Joint working arrangements with other agencies, including the Council:

Agency	Description of Joint Working Agreement
London Arts/ACE	The funding is a partnership agreement with the Arts Council of England/London Arts (ACE/LA). Communication is through the ACE Stabilisation Unit and LA Visual Arts Unit.
LBS	The funding is a partnership agreement with the Arts Council of England/London Arts. Communication is through the Education and Culture Department.

5.4 Funding from other sources:

Source	Amount
Arts Council of England Stabilisation Programme 2003/04	165,000
London Arts 2003/04	24,740
London Arts 3 year funding agreement from 2004/05	200,000

4.5 Other sources of Funding to include Fees/Donations:

Source	Amount
Hire Fees and Patrons	22,000
Project grants/donations	140,000
Education project grants/donations	20,000

5. *CATCHMENT AREA FOR THE FUNDED ACTIVITY:*

Southwark-wide, in addition the gallery has a regional, national and international audience

6. *SERVICE USERS/BENEFICIARIES*

- *Young people*
Despite limited resources the gallery has managed to provide an education programme which is linked to exhibition projects as one-off events.
E.g. Simon Starling (Djungle Jan/Mar 2003) will provide activity-packed Free Family Days out at the SLG on two Sundays and free children's activity sheets for the 8-11 age group. The gallery is involved in a project with the Peckham Education Action Zone (PEAZ) and 11 local schools, including one with special needs. Eight school classes, ranging from year 1 to year 10, were given a guided tour of the exhibition 20 Million Mexicans Can't be Wrong. The school groups were greeted by an exhibition interpreter who will focus on two exhibits and contextualise the show.
It is planned to expand the gallery's education programme through the appointment of an Education Officer and a building project to provide a dedicated space for education workshops/events.
- *People with disabilities*
Weekly art classes for a local group of adults with learning difficulties.
Disabled access to the SLG is very difficult at present. During 2002/03 the SLG will be developing a building project to enable disabled access and provide an education space. As part of the building project an access audit report was commissioned which has provided the SLG information on all aspects of access.
- *Local residents*
Local residents are targeted through the SLG newspaper – the outer pages feature information about the current and forthcoming exhibitions and live art programme, education and outreach events, and the gallery opening times whilst the inner pages are devised by the artist(s) currently exhibiting at the gallery. The newspaper is produced in an edition of 30,000 copies. It is distributed in advance of each exhibition to 10,000 residents living within 10 minutes walk of the gallery, and in a variety of locations displayed in special perspex bins. Locations include the SLG; Camberwell Arts College; shops and restaurants local to SLG and the Peckham Pulse leisure centre and the new Peckham Library. Door-to-door distribution to local residents has resulted in a noticeable increase in first-time visitors to the gallery.
In addition, some of the commissioned works from artists exhibiting in the gallery have linked directly to the local community, e.g. the William Furlong exhibition (To Hear Yourself As Other Hear You, Dec 02/Jan 03) involved recorded discussions with local residents, school children and the learning disabilities group. The recordings were used as an installation in the exhibition.

Furlong asked simple questions about their daily habits, likes and dislikes. The subsequent responses revealing much about the character of the area simply through accent, speech patterns, vernacular phrasings and references to local issues and nearby land-marks. Christian Boltanski's exhibition explored the oscillation between the global and the individual, the international and local. These relationships were further developed in a specially commissioned sound piece in which the names of the 12,000 registered voters living within ten minutes' walk of the gallery were read out from different points around the space. Both these audio commissions were purchased for the Collection by the Contemporary Arts Society.

- *Art Students*

Working with Goldsmith's MA Curating course to produce an annual exhibition. 2002/03 was the sixth annual collaboration between Goldsmiths College's MA in Creative Curating and the SLG. For the first time there was a panel of judges (Barbara Steveni, David Beech and Donna Lynas). Students were asked to respond to a brief and propose an exhibition or project to take place at the Gallery. One proposal was selected by the judges and developed into an exhibition.

Working with Camberwell College of Arts conservation students and the collection.

The SLG newspaper is distributed to 5 London art colleges.

- *Art audience*

Off-site projects linked to the exhibitions programme which reach significant audiences beyond these with an established interest in contemporary visual art, e.g. Joëlle Tuerlinckx's 'Night Cabin' at Tate Modern and Solar-Room at the House Gallery in Camberwell Church Street. Santiago Sierra's London-wide project in conjunction with 20 Million Mexicans Can't Be Wrong, which included an off-site project targeting a particular group at risk of social exclusion, working with Peckham Youth SLG mailing list of circa 4,000, including distribution of the SLG newspaper and email bulletin.

Exhibition and collection-related talks, tours and seminars.

Friends and Patrons scheme, offering SLG benefits.

7. *BASIS OF WHICH THE GRANT HAS BEEN CALCULATED*⁵:

Budget Year: 2003		
INCOME:		
Item	Amount	Notes
LBS	125,000	
Endowment interest	15,000	Variable according to return on investments
London Arts	24,740	
ACE Stabilisation	165,000	Interim revenue funding until LA agreement
Hire fees and patrons	22,000	
Project grants/donations	140,000	
Education grants/donations	20,000	
TOTALS	511,740	
EXPENDITURE:		
Item	Amount	Notes
Staff costs incl. NI, Pension	213,825	
Building	34,000	
Administration	46,800	
Programme	205,000	
Irrecoverable VAT	11,000	
Other	1,115	
TOTALS	511,740	

NOTES (to Link Officers about the specification):

¹ If the Grant is only one source of funding for the project, clarify as far as possible which aspects of the project are funded by the Grant and indicate the relative size of the Council's contribution.

² The outputs section should be an expansion of the project description. Outputs will be the services, activities or functions produced or provided by the project. This section should provide details about the outputs that have been agreed between the Organisation and the Council as directly linked to the Grant funding. (Where the Grant is a

contribution to overall project funding this section may need to include all services and activities of the project.) This section must include quantitative targets and quality standards, including equal opportunity targets, related to these outputs. Verification of the targets and standards should be linked to the monitoring and reporting requirements set out in Item 8.

³ If the project is only part funded by the Council, the inputs section will most likely include information about inputs (i.e. The resources put into the project, such as paid and volunteer staff, equipment, etc) that are funded from other sources. It is important to list these inputs if they have a clear impact on the outputs described in Item 3 of the specification. It is equally important to indicate that these are non-Council funded and to give an idea of the potential impact on the Council's investment if these other resources were lost.

⁴ If there are target groups within the wider set of eligible users, indicate this within the eligibility criteria in Item 6.1. Procedures for admission, assessment and discharge should only be indicated if relevant to the service. All specifications should include information about consultation policies and complaints procedures.

⁵ A project budget should be included within or attached to the specification. The budget should include notes indicating which elements are funded by the Grant. As far as possible, the outputs described in the specification should also be costed.

⁶ This section is intended to show how the output targets and standards agreed in Item 3 will be verified by the Organisation and monitored by the Council. Depending on the type of service and the requirements of the monitoring department, the reports may also require information linked to Item 4 (Inputs) or Item 6 (Service users). All monitoring requirements specified in this item should be seen in the context of the general monitoring framework set out in the Conditions (Part B).

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PART B: **CONDITIONS**

THE ORGANISATION'S RESPONSIBILITIES

Service provision

1. Provide the Service during the Term to the standard required by the Specification and not use the Grant for any other purpose.
2. Take all reasonable steps to make sure no-one is denied access to the Service or receives a poorer service because of discrimination, except where the Specification requires the Service to be provided to a particular group.
3. Notify the Council as soon as practicable if the Service cannot be provided at all or to the standard required by the Specification.
4. Acknowledge the Council's assistance in any literature and publicity.
5. Not use the Grant to support any political party or engage in publicity which could reasonably be regarded as designed to affect support for a political party.

Service quality management

6. Institute and maintain a system of quality management which:
 - 6.1 emphasises self-monitoring of standards by all staff engaged in providing the service.
 - 6.2 contains clear, written and achievable objectives which meet agreed standards.
 - 6.3 allows independent scrutiny and validation having due regard for confidentiality of user records;
 - 6.4 includes regular liaison between the Authorised Person and the Link Officer and co-operation with the Council's monitoring and evaluation processes.
7. Keep records (in a form agreed with the Council) of the nature, quality and quantity of work carried out in providing the Service and of complaints received from users. Make them available for inspection by the Council at reasonable times and on reasonable notice, whether

during or within 2 years after the Term. Provide quarterly monitoring information on numbers and type of users in the format required in the Culture & Heritage Unit Business Plan for Best Value and Local Performance Indicators

Management and Constitution

8. Have accountable and democratic membership and management structures and ensure no-one is denied access to them because of discrimination, except where the Organisation's objects are to enable the benefits of membership to be enjoyed by a particular group as agreed within the Specification.
9. Conduct its affairs in accordance with its constitution and notify the Council in writing as soon as practicable before any proposed alteration to it.
10. Conduct its affairs in a manner which guards against conflict of interest and ensure that Management Committee members and staff do not use their position or influence with the organisation to gain undue advantage for themselves or others.
11. Provide the Link Officer with reasonable access to Annual and Special General Meetings, Management Committee meetings and minutes of meetings, if requested, except where these concern confidential client and staff information.

Staffing

12. Make sure no job applicant, employee or volunteer is discriminated against, except where the Specification requires the Service to be provided to a particular group and/or where permitted by legislation.
13. Fill vacant posts through advertising and competitive interview except where the post does not exceed four months and the post-holder fulfils the requirements of the person specification. Notify the Council in writing within 28 days of the appointment or termination of employment of an employee who is directly concerned with the provision of the Services.
14. Provide employees with job descriptions, grievance and disciplinary procedures, equal opportunities policies and access to trade union membership and facilities. Seek to provide employees and volunteers with opportunities for skill development and consultation about service delivery.

Equal Opportunities

15. Adopt an equal opportunities policy relating to service provision, staffing and management of the Organisation which is consistent with the Definition of Discrimination. This will include a statement of intent, code of practice and procedure and timetable for implementation and review.

Health and Safety

16. Implement health and safety procedures consistent with good practice standards relevant to the Service.

Insurance

17. Maintain sufficient insurance in respect of its employees, users of the Service and other members of the public used in providing the Service.

Accounts

18. Keep proper accounts, PAYE and financial records in connection with its use of the Grant and provision of the Service. These will include a cash book, petty cash book and invoices and receipts to support all expenditure and income. Permit the financial records of the organisation to be inspected by the Council at reasonable times and on reasonable notice, whether during the Term or within 6 years of the end of it.
19. Maintain a bank account in the name of the Organisation (local or parent body) into which the Council will pay the Grant. Make sure that all cheques drawn on that account are signed by 2 members of the Management Committee of the Organisation or as the Council and the Organisation otherwise agree.
20. Deliver to the Council by 31st October in each year of the Term, and in the year following the Term:
 - 20.1 Where the Grant is £10,000 or less an income and expenditure account and balance sheet for the preceding year, audited by an independent person appointed by the members of the Organisation (local or parent body) at a General Meeting;
 - 20.2 Where the Grant exceeds £10,000, a draft income and expenditure account and balance sheet for each preceding year, and before 31 March an income and expenditure account and balance sheet for the preceding year audited by an independent fully qualified accountant who is appointed by the members of the Organisation (local or parent body) at a General Meeting; containing such details as the Council may reasonably require.

21. Deliver to the Council by 31st October in each year of the Term an estimate of the cost of providing the Services for the next year, containing such details as the Council may reasonably require.
22. Deliver to the Council by 31 October in each year of the Term a revised estimate of the cost of providing the Services for that current year, containing such details as the Council may reasonably require.

The Council's responsibilities

Payment of Grant

23. Pay the Grant to the Organisation by four equal quarterly instalments in advance in each year of the Term starting on 15 April.

Increase of Grant

24. Increase the Grant at the start of each subsequent financial year of the Term to provide for inflation. The increase shall be determined by the Council and shall have regard to the increase in the Retail Price Index for the previous year.
25. Increase the Grant fairly to reflect any variation made under Condition 28.

Reduction of Grant

26. Not reduce the Grant because of the receipt by the Organisation of other grants or income except where the grants or income are used to duplicate the purposes outlined in the Specification.
27. The Council may reduce the Grant:
 - 27.1 by the amount of Grant spent by the Organisation on activities other than providing the Service. The Council will first comply with the procedure set out in Conditions 36-38.
 - 27.1 for each year subsequent to the first year of the Term, by the amount of any underspend in the preceding year less an amount determined in accordance with the following schedule:

Grant

Amount retained by Organisation

£75,000 or less	5% of Grant to a maximum of £2,500
Greater than £75,000	5% of Grant to a maximum of £5,000

27.1 fairly to reflect any variation under Condition 28.

Variation

28. The Services may be varied:

28.1 if the Organisation and the Council agree, or

28.2 if a change in the Council's service priorities is required by:

- changes in legislation (including implementation of the Community Care Act and the Children's Act), or
- reductions in the budget of the relevant funding Committee or Sub-Committee, or
- other exceptional circumstances.

The Council will, insofar as is practicable, agree the details of such a variation with the Organisation.

28.3 Proposals to vary the Services may be initiated by either party. A variation to the Services will require three months' written notice unless both parties agree otherwise.

Suspension of Grant

29. Suspend payment of the Grant or vary the frequency and amount of Grant payments if it considers the Organisation has committed a serious breach of this Agreement (for example, fraud or endangerment of users or failure to comply with Conditions 18-22 or Conditions 33). The Council will immediately initiate the procedure set out in Conditions 37-39.

Support

30. Actively seek to comply with all reasonable requests by the Organisation to provide advice and information to enable the organisation to carry out its obligations under this Agreement.

Joint responsibilities

Monitoring and Review

31. The Organisation shall establish self-monitoring mechanisms which involve the participation of management committee, staff and users.
32. The Link Officer shall conduct monitoring visits of the Organisation at least once every six months. These visits will include an assessment of the Services and the compliance of both parties with the Conditions to the Agreement. The Link Officer.
33. For each year of the Term, the Organisation shall deliver to the Council a written report about the Services. This report shall include details about the ethnic origin, gender and disability of service users and whether they are residents of the borough. The Link Officer will also prepare an annual written assessment report about the implementation of the service agreement which will be sent to the Organisation.
34. In the final year of the Term, the Organisation and the Council shall carry out an assessment of the need for the Service which will take account of changes in priorities for either or both parties, changes in the needs of service users and the existence of alternative providers.

Termination

35. This Agreement will end at the end of the Term, or:
 - 35.1 on the dissolution of the Organisation;
 - 35.2 on the expiry of at least 3 months notice given by the Organisation to the Council of its intention to terminate the Agreement;
 - 35.3 on the expiry of at least 3 months notice (unless Clause 29 has been invoked) given by the Council to the Organisation of its intention to terminate the Agreement, having first complied with the Dispute Procedures where appropriate.

Recovery

36. On expiry of the Agreement the Council may recover any portion of the Grant not used to provide the Services, unless the Council and Organisation agree otherwise.

Dispute Procedure

37. If one party complained that the other has broken this Agreement, it will give the other:
- 37.1 written details of the breach complained of, and
 - 37.2 if the breach is capable of being remedied, written details of the action the other should take to remedy it and a reasonable opportunity to do so.
38. If the breach is not capable of being remedied or if it has not been remedied within a reasonable time as a result of discussions between the Link Officer's Department and the Organisation, the Council will convene a meeting to be held with the relevant funding committee or sub-committee of the Council where the complaint will be heard and where both parties may make oral and written representations. The Council shall give at least 7 working days written notice to the Organisation of such a meeting.
39. The funding committee or sub committee may, in the light of that meeting, make any such ruling which it reasonably thinks fit.

Notices

40. Notices may be given by the Council or the Organisation either personally or by recorded delivery post to any address given for that purpose. A notice given by post will be deemed to have been given the first working day after it was posted.

Appendix 5

The South London Gallery Collection

Ownership and Provenance

- 5.1 From the beginning the Gallery acquired and used an extensive collection of works of art. In the past the record keeping of the Gallery was patchy and inconsistent with numerous works never accessioned. Accessioning is defined by the museum documentation association as: *The formal addition of an object to an institution's collections. It follows transfer of title and includes assigning an accession number to an object and recording details in an accessions register. An accessions register is the permanent record of all objects, which are, or have been, part of the institution's permanent collections. An entry in the register should record details concerning the source, identification and history of each item.*
- 5.2 Accessioning was not started properly until the 1950s. This has resulted in the fact that a number of works have no known provenance although all now have an entry in the accession register. Recent research to provide evidence of the workings of the managing body in relation to the Collection has not been able to provide conclusive evidence as to whether acquisitions were made on behalf of the Council (and its predecessors Camberwell Vestry and Camberwell Council) or the Trust as within the last 20 years or so it appears that many of the minutes of the Camberwell Borough Library sub-committee were destroyed.
- 5.3 Because there is a lack of authoritative evidence and because of the spirit in which the SLG has been run (i.e. that in most matters functioning as a charitable trust administered by the Council where for example the Camberwell Library appointees having recently replaced the original trustees would have been acting in the knowledge that they were acting as trustee of the SLG it has been assumed that all acquisitions were received to the Trust collection.
- 5.4 The end result of this is that the Council as trustee of the SLG could be deemed to have made the acquisitions on behalf of the Trust. The Charity Commission would regard them as part of the permanent endowment of the Charity not to be disposed of without their permission.
- 5.5 A contrary view to this has been given by FMS on the issue of works acquired with the £10,000 per annum allocated by the Council for acquisitions since 1994. This advises:

- The document trail starts with a memo on 26/8/94 from David Wallis, Leisure, to Fred Manson, at the time Director of Development and chair of the cross Council officer working party, the Capital Planning Group. The first paragraph reads:

“I write to confirm the details in respect of the purchase of Art Works to add to the **Southwark collection**. The Leader has requested we set up a system to purchase works to the value of £10,000.00 per annum.” (My emphasis).

The memo ends:

“Mr Thorpe - Gallery Manager (South London Arts Gallery), has been requested to proceed with the purchasing programme on the understanding that it will obtain approval.”

The memo does not indicate that the purchases were for or on the behalf of

SLG, only that they would be involved in the purchase. The wording of being the “Southwark collection” does not indicate SLG ownership.

- The memo was presented as a bid for resources to Capital Planning Group on 12/9/94. The bid was discussed and recommended to be presented to Committee for the approval of resources. The bid was then presented to Strategic & Corporate Services Committee on 3/10/94, item Capital Programme, 1994/95 - 1997/98, and was approved at that meeting.
- The detail of the bid presented to Committee is contained in Appendix 2 to the report, the text of the bid being a précis of David Wallis’ memo:

“Leisure and Recreation, Purchase of art works for the Southwark Collection - £10,000 in each of 1994/95, 1995/96 & 1996/97

14. A proposal to increase the current Southwark collection has been received. For a modest rolling programme, of £10,000 per annum, it is considered that the Collection could be substantially enhanced. Choice of purchase will be made by a purchasing panel.

15. The purchasing policy has yet to be decided, but would consider such issues as an emphasis on local artists, works by young artists that may accrue in value (i.e. investment through art works), an emphasis on contemporary works, the decision to acquire a number of works or concentrate on just a few items each year, the possibility of linking to (and acquiring from) exhibitions at the South London Gallery.”

- Again, the wording indicates to Committee that the purchases would be for the Southwark Collection, no intimation that the works would be on the behalf of, or transferred to, the SLG trust.

5.6 It appears however that the wording was not used precisely and in other documentation relating to the acquisitions the terms Southwark Collection and South London Gallery Collection are interchangeable. In any case much of the acquisition fund was allocated to a Contemporary Arts Society Purchase Scheme where the understanding seems to have been that the works acquired would pass to the Trust collection.

Steering Group Advice to the Trust

5.7 The SLG Steering group has considered the options for the future of the Collection and its advice to the Council as trustee is as follows:

- The Steering Group has continued to explore the question of the ownership of the Collection. Most of the SLG Collection is clearly owned by the Charity, being donated to the Gallery or purchased by the Council acting as trustee of the Charity. Being part of its assets, the charity’s Collection cannot be sold or disposed of without the permission of the Charity Commission. A few works are thought to be owned by the Council and there are some works whose ownership is not clear, as between the Council and the Charity. However, as stated in the previous report to the Council, any negotiation about the ownership of these works should be delayed until the new Company takes over as Trustee of the gallery, to avoid any conflict of interest. In the meantime, the Steering Group recommends that the Collection be kept together.

- Displaying the Collection, although stored at the gallery, has not fitted with the programme of temporary exhibitions of contemporary art organised by the Gallery in recent years, or envisaged for the future. (Indeed, the uncontrolled environmental conditions and high natural light levels in the gallery are unsuitable for the display of most of the works in the Collection.) Instead loans from the Collection have been made to other public galleries, works have been displayed in other LBS museums and council buildings, and have been used as teaching resources. In order to ensure that the residents of Southwark continue to have access to the collection, the Steering Group recommends that the Collection be loaned to the Council and managed by the Culture and Heritage service alongside the Council's other collections. A draft loan agreement is attached for information.
- The Steering Group understands that the collection could form an important part of the proposed new Discovery Centre, which would greatly increase public access. However, in the meantime, it recommends that the Collection should be moved from the gallery store to a Culture and Heritage service building.
- The works acquired recently through the Contemporary Art Society remain in the ownership of the CAS until 2014. It will be for the CAS to decide whether ownership should then pass to the Gallery or to the Council. Initial discussions suggest that ownership should pass to the Gallery as most of the purchases arise from or are connected with the current exhibition programme and have been acquired because of their value as a teaching resource.

Future Use of the Collection

- 5.8 Museum and Gallery education provides a unique, important and valued service, opening up museum collections to the whole community. Learning from objects, like the SLG collection is emphasised in the National Curriculum and provides stimulating and enjoyable ways of learning through formal and informal education. Demand from teachers and others to enable them to make greater use of collections is huge and many museums and galleries have developed creative and challenging education resources, activities and teacher training for schools. The SLG collection has been used in this way alongside the Cuming and other collections held by the authority as a considerable educational asset. The proposal to develop the Southwark Discovery Centre will provide improved facilities and services to make the most of this opportunity. The SLG collection is a key part of this vision and would allow the level of use of the SLG collection to be increased and its care and management improved.
- 5.9 The future development of SLG positions it as a nationally and internationally recognised centre of excellence in the provision of contemporary visual art exhibitions and live art. Activities that do not rely on the use of the Collection. The Steering Group's view therefore is that the Collection is not central to its vision but that the collection should be retained as a whole, in the ownership of the trust. However, the Steering Group acknowledges that the loan of the collection to the Council for the purpose of managing and using it as part of the SDC development is the best way of maximising and unlocking the educational potential of the collection whilst ensuring that it continues to benefit the people of South London.
- 5.10 It is therefore recommended that the Council agree to accept the collection on a 5-year reviewable loan agreement from the Trust with the intention that these be used as part of the development of the Southwark Discovery Centre and authorises

Officers to conclude negotiations on the draft loan agreement.

Limitations on Disposal

- 5.11 Regardless of the ownership issue the following factors limit Council's ability to dispose of the collection.
- 5.12 Firstly, In 1995 (updated in 2000) Southwark Council agreed an Acquisition and Disposal Policy (covering the SLG and other collections in its stewardship) in line with national standards that states:
- a) The London Borough of Southwark, fulfilling a custodial role in respect of the collections, accepts the principle that there is a strong presumption against the disposal of any items in the collections.
 - b) However, it is recognised that in certain exceptional circumstances and on the advice of senior management, it may be beneficial to the welfare of the collections as a whole to dispose of certain items.
 - c) Any decision to dispose of an item must be made with the approval of the London Borough of Southwark acting on the advice of senior management and will not be taken by senior management acting alone. Decisions to dispose of items will not be made with the principal aim of generating funds. With the exception of the Local Studies Library who may from time to time dispose of printed published books through book sales.
 - d) When a decision to dispose of an item has been approved the item should be offered first by loan, exchange, gift or sale to appropriate registered museums, archives or record offices.
 - e) When an item is to be transferred to anywhere other than one of the institutions specified above notice of the intention to dispose will be given to the museum and archive community at large, normally through relevant publications. The announcement will indicate the number of items involved, the prime items concerned and the basis on which the material would be transferred to another institution. At least two months will then be allowed for an interest in acquiring the material to be expressed before the disposal is carried out.
 - f) Specimens given or bequeathed will not normally be disposed of without prior consultation with the original donors or their families within the first generation, and wherever possible their approval should be obtained to the course of action proposed. This is a matter of courtesy rather than a legal requirement. Senior management shall be entitled to waive this requirement where all reasonable efforts to trace a donor have failed and additionally where no details of the donor exist.
 - g) Full records will be kept of any disposals and the objects involved. Proper arrangements will be made for the preservation and/or transfer, as appropriate, of

the documentation relating to the object concerned, including photographic records where practicable.

- h) Any monies received by the London Borough of Southwark from the disposal of objects, material or works of art should be applied to the purchase of exhibits. In exceptional cases improvements relating to the care of collections may be justifiable. In such a case advice should be sought from the appropriate professional body.
- 5.12 Second, under CIPFA rules the collections held by the Service fall under the definition of inalienable *community assets*, this to some extent clarifies local authorities duties to treat museum and other collections as being held by them in trust for the public benefit.
- 5.13 Third, the 1964 Cottesloe Report into Sales of Works of Art by public bodies expressed the principle that when private persons give property for public purposes the Crown undertakes to see that it is devoted to the purposes intended by the donor, the public acquires rights in the objects concerned that cannot be set aside – this implies a responsibility to use our collections for the public benefit through display, education and research. Approximately 20% of the collection of almost 5,000 objects was acquired through bequest, donation etc therefore could be seen as falling under this principle. This 20% represents approximately 80% in terms of the financial value of the collection. The remaining 80% was acquired through purchase.
- 5.14 Fourth, the Registration Scheme for Museums & Galleries (Livesey, Cuming and South London Gallery are all registered) is a national minimum standards scheme (and a BVPI). Registration inter alia requires a strong presumption against disposal. This is reflected in the Service Collections Policy. Sale would threaten registration status and thereby cut us off from some grant givers, particularly HLF who would not fund the activities of the service including the Discovery Centre.
- 5.15 Fifth, the Museums Association Code of Ethics outlines that donors make gifts in the expectation that they will be preserved in perpetuity. It would be regarded professionally as unethical for us to sell works from a public collection.
- 5.16 Sixth, the sale of works from a collection that has received grant aid for conservation, display and education could be in breach of grant givers criteria and potentially expose the Council to claims for substantial sums to be returned to the givers (in the past three years in excess of £150,000 has been raised from external sources for projects involving the SLG collection).

Current Arrangements for Care and Use of the Collection

- 5.17 Contrary to popular belief the collection is made accessible through:
- Loans for display in offices and other venues for which a charge is made.
 - Touring Exhibitions.
 - Exhibitions at the Livesey and Cuming Museum.
 - Loans to other institutions/museums for display.
 - Access to researchers.
 - Publication of catalogues.
- 5.18 The cost of managing and using the Collection is currently met through the Council's

Culture & Heritage Unit and through external funding secured by Officers within Culture & Heritage that it is not proposed will transfer to the Trust. An estimate of this is shown in the table below covering the last three financial years. On this basis the cost of continuing to manage and provide access to the Collection can be met within existing resources and the Discovery Centre Scheme will secure funding for its longer term storage and display and for an enhanced level of access by schools and others than is possible at present.

5.19 The costs of managing and using the Collection over the last three years are set out in the table below:

Item	Expenditure (2000-2003)	Income (2000-2003)
Acquisitions	£90,000	£30,000 (Southwark Council – Capital) £60,000 (Contemporary Art Society)
Conservation	£7,500	£7,500 (in kind support)
Storage	£11,250	£11,250 (Southwark Council)
Preventive Conservation	£3,300	£3,300 (Southwark Council)
Externally funded works (Conservation, display, education, publication)	£60,000	£60,000 (Heritage Lottery Fund and others)
Staff	£18,000	£5,500 (Southwark Council)
Fees for Loans		£12,000
Touring Exhibition Fees	£500	£1,000
Total	£190,550	£190,550

LOAN AGREEMENT BETWEEN GALLERIES AND MUSEUMS

PARTICULARS

Date:	
The Trust	
The Council:	
The Objects:	
The Purposes of Loan:	
Loan Period:	
Venue(s):	

Schedule A	Inventory of Objects
Schedule B	Acknowledgement
Schedule C	Contacts
Schedule D	Special Conditions

This **AGREEMENT** is made on the day written in the Particulars

BETWEEN

The Trust and the Council both as defined in the Particulars

WHEREAS:

1. The Trust is the Governing Body of the South London Gallery as defined in the Particulars and is entering into this Agreement on behalf of the Gallery. All references in this Agreement to the Gallery shall be deemed to include and bind the Trust; and
2. The Council is the Governing Body of the Cuming Museum as defined in the Particulars and is entering into this Agreement on behalf of the Museum. All references to the Museum in this Agreement shall be deemed to include and bind the Governing Body;
3. The Gallery and the Museum hereby agree that:
 - (a) the Gallery will lend the Museum the Objects listed in Schedule A hereto, to which the Gallery warrants it has title [or is otherwise entitled to enter into this Agreement]; and
 - (b) the Museum will only use the Objects for the purposes specified in the Particulars; and
 - (c) The Museum shall be entitled to use the Objects for the agreed Loan Period as defined in the Particulars; and
 - (d) The Objects will be treated by the Museum for the period of the loan as part of their permanent collection (except in the issue of disposal)
 - (e) **Insert clause re liability and finance (re income from loans, Trust bound by grant conditions, Council able to apply for grants etc, no financial liability to Council if Trust subsequently break grant conditions)**
 - (f) the loan is subject to the terms and conditions that follow, and to any supplementary terms and conditions specified in Schedule D below.
4. **Care and Protection**
 - 4.1. Objects borrowed shall be given special care at all times and best efforts taken to avoid loss, damage or deterioration. Only experienced and trained personnel shall handle the objects which shall be displayed with maximum attention to security;
 - 4.2. The Museum agrees to meet any special requirements for movement, handling and installation as specified in the Schedules to this Agreement;
 - 4.3. **Environmental Conditions**
 - (a) Artworks must be protected from extreme temperatures and humidity, excessive light and from insects, vermin, dirt, pollution or other environmental hazards, following the Museums & Galleries

Commission's "Standards in the Museum Care of Collections". It is understood by the Trust that all objects are subject to gradual inherent deterioration for which neither party is responsible;

- (b) Objects must be stored, housed or displayed in a stable environment of evenly controlled temperature and humidity. For the majority of Objects temperature should be within the range of 18-22 degrees C and relative humidity in the range of 50-60% (with fluctuations of no more than 5% per day and 10% per month).
- (c) Certain sensitive materials may require special environmental conditions that will be notified to the Museum in advance of the Loan period.
- (d) All temperature and humidity controls must operate for twenty-four hours a day throughout the loan period.
- (e) **The Gallery will periodically monitor environmental conditions and shall be entitled to terminate this Loan Agreement or withdraw one or more Objects in the event that the agreed environmental conditions are not or can not be maintained. (May not need this)**

4.4 Lighting

- (f) **All Objects must be protected from strong light, especially sunlight.**
- (g) **Lights should be outside cases and separated from the interior by a sheet of glass. Illuminance should be in the range of 50-250 lux with UV radiation no more than 75 microwatts per lumen, in accordance with recognised conservation guidelines.**
- (h) **Light sensitive objects, such as works on paper, textiles and leather must not be artificially lit at more than 50 lux. Objects should only be illuminated while the Venue is in use.**

4.5

Smoking and Entertaining

- (i) Smoking must not be permitted in rooms where the Objects are displayed, stored or housed

4.6 Security

- (a) Objects shall be kept safe and secured from theft or damage in every respect by appropriate barriers, and 24-hour physical and/or electronic security.;

4.6.1 The building(s) in which the objects are to be housed shall have in place systems to protect from fire, smoke and flood damage and the Borrower shall supply such information about security and fire precautions at the venue(s) as may be required by the Gallery. Venues should be fitted with fire detection/prevention and intruder alarm systems, which are either connected to the local police station or monitored twenty-four hours a day.;

4.7 Object Condition

4.7.1 **Insert clause re object condition checking**

4.7.2 The Gallery reserves the right to undertake an on-site inspection and approval of the condition of the Objects by staff during the Loan Period at the expense of the Museum;

4.7.3 Any loss or damage to an Object, or any evident change in an Object's condition is to be notified immediately to the Gallery, followed by a full written and photographic report.

4.8 Handling

Insert clause re Museum handling guidelines

5 Packing and Transport

5.1 The loan objects will be transported only in the manner agreed between the Gallery and the Museum, using a carrier approved by the Gallery, and a Museum courier may be required for all or any part of the journeys;

5.2 Objects transported by road must be accompanied by at least two persons, and the vehicle never left unattended. Arrangements must be made for the vehicle to be kept in a security compound when overnight stops are necessary.

6 Insurance

6.1 Objects shall be insured by the Museum throughout the period of the loan and return to the Gallery for the value stated in Schedule A of this Agreement under an "all-risk", nail-to-nail policy approved by the Gallery;

6.2 The Gallery must have sight of a certificate of insurance or a copy of the policy made out in its favour prior to shipment of the objects. The Museum must be informed in writing at least 21 days in advance of any change or cancellation of that policy;

6.3 Insurance valuations may be periodically renewed and the Gallery reserves the right to increase coverage as it feels appropriate.

7 Indemnity

7.1 The Borrower shall fully indemnify and keep fully indemnified the Gallery against all claims demands proceedings damages costs charges and expenses whatsoever in connection with the loan of the Objects, or resulting from any act neglect or default of the Museum its employees or agents.

8 Reproduction and Credit

8.1 The Gallery may make available photographs of the Objects, which can be used by the Museum for non-commercial educational, publicity and registration purposes. No further use of these photographs should be made, **and no other reproduction made of the objects without the prior written consent of the Gallery. (This clause should be altered - it would be unreasonable that the Museum could not take photos and reproduce them in catalogues for example)**

8.2 Every object will be labelled and credited to the Gallery in the exact form described in Schedule B of this Agreement, whether for display labels, publication credits and literature (both written and electronic).

8.3 The Gallery will receive, free of charge, a copy of any publication issued by the Borrower in connection with the Objects detailed in this Loan Agreement.

8.4 The Gallery shall retain the copyright of any material or object loaned by the Gallery. (Again this should perhaps be revised)

9 Access

9.1 Museum staff, students and others shall be allowed reasonable access to view Objects without prior permission from the Gallery

10 Loans to third parties

10.1 The Museum can loan an Object(s) to a third party during the course of the loan as long as they adhere to their own loan procedures

10.2 The Museum will ensure that all the relevant terms and conditions of this Agreement are included within any agreement with a third party.

11 Other Obligations

11.1 In carrying out the requirements of this Agreement the Museum shall:

11.1.1 not unlawfully discriminate within the meaning of the Race Relations Act 1976 or any comparable provision relating to discrimination in employment and ensure that all employees and agents do not unlawfully discriminate, and comply with all relevant codes of practice issued by the Commission for Racial Equality or comparable body and, so far practicable, operate an equal opportunities policy which complies with the practical guidance and recommendations contained in such codes of practice;

11.1.2 adopt safe methods of work and comply with all other requirements of the Health and Safety at Work Act 1974 in order to protect the health and safety of its personnel and all other persons;

11.1.3 comply with the Data Protection Act 1984 and any subsequent amendments, re-enactments, replacements or substitutions thereof.

11.1.4 take account of the Disability Discrimination Act 1995 and comply with the Codes relevant to the provision of these services

12 Costs

12.1 All costs of packing, transportation, couriers, insurance, special preparation, remedial or preventative conservation and any other expenditure related to this Loan and the requirements of this Agreement must be borne by the Museum

13 Cancellation and Withdrawal

13.1 The Gallery reserves the right to recall any Object from loan or terminate this Agreement at any time by immediate written notice in the event of a breach of any of the terms of this Agreement;

13.2 The Gallery shall also have the right to terminate this Agreement upon three (3) months written notice to the Museum;

13.3 The Museum shall not be entitled to any claim for loss or expenses howsoever incurred arising from the early termination of this Agreement or the withdrawal of one or a number of Objects.

(This section needs revision especially 13.3 - see earlier note re liability relating to grants etc)

14 Force majeure

14.1 If either party is affected by Force Majeure, it shall give notice of its nature and extent to the other as soon as reasonably practicable. Neither party shall be deemed to be in breach of this Agreement or liable to the other because of an event of Force Majeure of which it has notified the other. The time for performance of any obligation under this Agreement shall be extended accordingly.

15 Extension

15.1 Any application by the Museum for the period of the loan to be extended must be approved in writing in advance of the date of termination of this agreement, and covered by a written extension of insurance cover.

16 Interpretation

16.1 In the event of any dispute between this agreement and any forms of the Museum, the terms of this agreement shall take precedence and be those applied. The agreement is governed by the laws of England and by the English courts.

17 Contacts

17.1 Communications between the parties in respect of this Agreement shall be between the people named as contacts in Schedule C of this Agreement.

DECLARATION

I certify that I am authorised to enter into this Agreement and that I have read and agree the above terms and conditions

Signed (for the Trust)	Signed (for the Museum)
Title:	Title:
Date:	Date:

Schedule B – Acknowledgement

The credit for use on exhibit labels and in any catalogue will be:-

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Schedule C – Contacts

For the Museum	For the Borrower
Name:	Name:
Address:	Address:
Telephone:	Telephone:
Facsimile:	Facsimile:

Schedule D – Special Conditions

None

Category of work	Type and number of items	Highlights	Acquisition history
Local History images	c.1,000 watercolours, drawings, prints and maps.	<ul style="list-style-type: none"> • c.200 watercolours by local artists, W.K.Forrester, David Rose and Russell Reeve; • c.200 views of Camberwell and Peckham by amateur artists; • c.100 prints: rare mostly in poor condition; • c.10 maps. 	Many commissioned from local artists by the library service under the umbrella of local studies 1920-1970s, the Poulter Bequest and the Cuming Bequest, plus numerous gifts from local people.
Victorian oil paintings, watercolours and drawings.	c.200 items, including: <ul style="list-style-type: none"> • Ruskin drawings and photographs, some donated by him in 1895, and others through Library Service. • C. 30 items by Ford Maddox Brown incl. House of Lords cartoon & drawings; • Leighton oil cartoon, plus some signed proof prints; • G.F.Watts' 'Open Door' and 'Prinsep's Unprofessional Beauty (Lily Langtree)'; • Alfred Parsons, best of which is the painting entitled 'American Apples'. 		<ul style="list-style-type: none"> • Ruskin had close ties with Southwark, the Borough in which he lived, and he supported the foundation of the SLG. • Holland Park Circle gifts, presented in memory of Leighton. • Left by Leighton. • Provenance unclear: Watts was on long loan from the Watts family in the 1920s.
Early prints: an outstanding teaching collection - demonstrate a range of processes/ techniques/ subject matter.	<ul style="list-style-type: none"> • Collection of 490 Daumier lithographs. BM have a few examples & supported SLG's HLF application to restore them; • c.200 16th-19th century prints. HLF supported conservation work. Many rare and valuable; • Set - Hogarth prints incl. 'Rake's Progress'; • Complete set of the first edition of Wheatley's 'Cries of London' 		<ul style="list-style-type: none"> • Donated by William Wright in 1902 for the people of South London. • Came from the Local Library Service; • from the Library Service; • from the Library Service.

<p>Prints purchased in the 1960s</p>	<p>More than 600 prints including examples by Passmore, Sutherland, Ayrton, Bawden, Piper, Ceri Richards, Barbara Hepworth, Hermes, Rothenstein, Kallowitz, Ruskin Spear, Ackroyd, Dufy, Picasso. Mostly one print by each artist, but sometimes 5 or more by one artist. None stored in acid-free mounts, most are taped onto old-fashioned mounts. Estimated cost of restoring and undertaking preventative conservation measures is £40,000. Application to HLF is planned.</p>		<p>Purchased by the Library Service for the Gallery from 1961-1978. The collection was founded in consultation with the V&A & the Tate, with the intention of it becoming 'The UK collection of contemporary prints'. In the 1960s there were close connections with the print-making course at Camberwell College of Art.</p>
<p>Acquisitions through the CAS, pre-contemporary collections scheme ie. 1953-1980s</p>	<p>See attached list of 16 works which include some of the jewels of the SLG's collection, and the works most frequently requested for loan.</p>	<p>Highlights include oil paintings by: Stanley Spencer, Walter Sickert, Prunella Clough and Josef Herman.</p>	<p>Subscription to the CAS was funded by the Library Service</p>
<p>Acquisitions through the CAS Contemporary Collections Scheme</p>	<p>See attached list of c.20 works acquired through the scheme.</p>	<p>Highest value for a single work = Keith Coventry's painting of the 'Sceaux Gardens Estate'</p>	

<p>Other contemporary works, generally by artists living and/or working locally to SLG, or with a local subject, acquired by David Thorp (Director SLG).</p>	<p>c.21 works by Tracey Emin, Gillian Wearing and others.</p>	<p>Richard Deacon print, Anish Kapoor etching, Bill Woodrow linocut.</p>	<p>Donations and/or purchases from artists exhibiting at the gallery and others.</p>
<p>Ceramics</p>	<p>c.200 items.</p>	<ul style="list-style-type: none"> • 10 items by W.B.Dalton; • small study collection, including 2 plates and a comport by William de Morgan; • William de Morgan P&O panels; plus other tiles • c.90 items of Martinware; • Huge terracotta panel by George Tinworth, damaged during the war & in desperate need of restoration. 	<ul style="list-style-type: none"> • Given by W B Dalton, curator of SLG 1900-1920, founder of ceramics course at Camberwell; • Purchased for the SLG with Grant Aid from the V&A; • Donated to the SLG by Mr Mossop following major exhibition at the SLG in 1922: 'London Potters of the past 50 years'; • Bequeathed to SLG by Mr Marsh in 1945
<p>Textiles</p>	<p>6 x 17th & 18th century textiles, some conserved at the Winchester Textile Conservation Centre, further £2,000 is required to complete the work.</p>	<p>Some good examples of needlework, but value nominal.</p>	<p>Probably acquired in the early 20th century as part of the teaching collection of 'Industrial & Decorative Arts'.</p>
<p>War Artists' Advisory Committee</p>	<p>c. 50 paintings, drawings and prints of war subjects.</p>	<p>2 Sutherland sketches</p>	<p>Mostly donated to gallery by the Imperial War Museum post WWII.</p>

Summary of SLG Collection

Appendix 7

Sculpture	Collection of 10 busts of worthies connected with the founding of SLG	Busts of Ruskin, Watts, Browning.	Donated by individual patrons of the gallery.
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