

Committees:	Dates:
Finance Committee Culture, Heritage and Libraries Committee	21 October 2014 27 October 2014
Subject: Guildhall Art Gallery Accreditation Renewal: Required Revisions to Acquisitions and Disposal Policy	Public
Report of: Director of Culture, Heritage and Libraries	For Decision

Summary

Guildhall Art Gallery is currently in the process of renewing its Arts Council Museum Accreditation. However, in order to retain the award, there is a requirement to update the 'Use of Proceeds of Sale' section of the 'Acquisitions and Disposal Policy' to demonstrate a commitment to ring-fence proceeds of any sale of artworks for strictly Accreditation compliant uses. Authorised use of proceeds of such sales must be restricted to either acquisition of new artworks, or in exceptional circumstances, improving care of the collections.

The Art Gallery requires the Accreditation to be able to loan artworks from other museums (and hence be able to continue to mount a programme of chargeable temporary exhibitions), and be eligible for public funding such as exhibitions and acquisitions grants from organizations ranging from the Heritage Lottery Fund to the Art Fund.

There is no provision for this under the Financial Regulations and the authority of your Committee is therefore necessary before a commitment can be made on behalf of the City Corporation to ring-fence this possible (but highly unlikely) source of funding.

Recommendation(s)

Members are asked to approve of the recommended revisions to the GAG 'Acquisitions and Disposal' Policy relating to 'Use of Proceeds of Sale' as outlined in Appendix 1.

Main Report

Background

1. The Museums Accreditation scheme is administered by Arts Council England and is a quality award for museums, setting out minimum national heritage sector standards of governance, collections management, public access and visitor facilities.
2. The Accreditation standard is based on the Museums Association code of ethics and is a marker of institutional due diligence in caring for heritage assets.
3. Maintaining full Accreditation status is a prerequisite for:
 - being able to loan artworks from other museums (and hence being able to continue to mount a programme of chargeable temporary exhibitions),
 - eligibility for public funding such as exhibitions and acquisitions grants from organizations ranging from the Heritage Lottery Fund to the Art Fund etc. (see Appendix 2 for a list of public funding/grants amounting to £500,517 received by GAG since 2002),
 - the City Corporation maintaining its reputation as responsible custodians of heritage assets held in perpetuity for the benefit of society.
4. Recent loan exhibitions such as Atkinson Grimshaw, "Painter of Moonlight" in 2011/12 and "Victoriana" in 2013 have been a successful way of attracting new audiences, revenue generation, building strategic partnerships with other museums in the UK and generating positive publicity for the Gallery.
5. Guildhall Art Gallery has achieved and maintained its full Accreditation status since 1988, when the scheme was originally introduced. Some 1800 national and regional collections including all major galleries have met the financial criteria and are accredited to the Arts Council's scheme
6. Accreditation is for a period of 3 years and the current GAG accreditation expires in December 2014.

Current Position

7. The Principal Curator of Guildhall Art Gallery is currently in the process of applying for renewal of the Arts Council Accreditation.
8. The Arts Council Board which administers the accreditation scheme have advised the Principal Curator that it will be necessary to amend and revise the 'Use of Proceeds of Sale' section of the GAG 'Acquisitions and Disposal Policy', to reflect the up-to-date disposal guidelines in the Accreditation 'Acquisition and Disposal Template'.
9. The position taken by the Arts Council, which is responsible for the nation's artistic heritage, has always been that any disposal of heritage assets is strongly discouraged, as the expectation is that museums will care for such

assets in perpetuity. However, if exceptional circumstances arise where a museum takes a decision to dispose of an artwork, any funds generated from the sale can only be used to buy new works or, in certain circumstances to preserve or maintain the remaining art collection.

10. In these circumstances in order to secure renewal of the GAG accreditation the City Corporation is required to make a firm commitment to ring-fencing proceeds of any sales for such Accreditation compliant uses by revising the wording of clause of the current accreditation document and inserting a new clause. The necessary changes to wording are set out in Appendix 1.
11. Complying with these guidelines is a prerequisite for maintaining the Accreditation award.

Options

12. There are only two options available as detailed below:
 - a). To decline to make the required revisions.
13. This would result in GAG losing the Arts Council's Museum accredited status. The implication being that the City Corporation would be unable to loan artworks from other museums and therefore be unable to mount chargeable loan exhibitions in the Gallery. Additionally, the Gallery would no longer be eligible for public funding and acquisition grants, and would experience reputational damage in respect of its commitment to the care of its collections as heritage assets held in perpetuity for the benefit of society.
 - b). To comply with the Arts Councils Accreditation Board's conditions and introduce the required revisions.
14. The implementation of these changes will provide the unequivocal commitment demanded by the Arts Council's Accreditation Board and will facilitate renewal of the GAG accreditation for a further 3 years.

Proposals

15. It is proposed that your Committee agrees to the conditions relating to ring-fencing proceeds from the sale of any artworks in the GAG collection for acquisition of new art works or in exceptional circumstances improving the care of the collection.
16. The adoption of this principle in the Gallery's policy is a measure to ensure ongoing accreditation and does not imply an intention to sell any pictures. The possibility of disposal has been discussed in the past by the Culture, Heritage & Libraries Committee (and earlier by the Libraries, Archives & Guildhall Art Gallery Committee) and it has been recognised that the negative reputational impact to the Corporation would be likely to outweigh any financial benefit derived from selling any material from the collections which might reasonably be considered. Accordingly I am not aware of any pictures ever having been sold.

Corporate & Strategic Implications

17. Guildhall Art Gallery complements the Cultural Strategy, referenced in the Corporate Plan as one of the supporting strategies and particularly relevant to Key Policy Priority 5 (increasing the impact of the City's cultural and heritage offer on the life of London and the nation).

Conclusion

18. Guildhall Art Gallery has met the conditions of the Arts Council accreditation scheme for the past 26 years and retaining this award is critical for the ongoing status and operation of the Gallery. Major galleries and museums throughout the UK with public, charitable or private funding currently meet the financial criteria and these should not therefore be too onerous or restrictive on the City Corporation.
19. It is accordingly recommended that the necessary commitment to ring-fencing of any income from sale of artworks is approved by your Committee.

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Appendix 1

Current 'Use of Proceeds of Sale' section in the GAG 'Acquisitions and Disposal Policy'

13.i Subject to the City of London Corporation's rules on the disposal of capital assets, the Guildhall Art Gallery will endeavour to apply any monies received from the disposal of items for the benefit of the collections. This normally means the purchase of further acquisitions. In exceptional cases, improvements relating to the care of collections in order to meet or exceed Accreditation requirements relating to the risk of damage to and deterioration of the collections may be justifiable. Any monies received in compensation for the damage, loss or destruction of items will be applied in the same way subject to the same caveat. Advice on those cases where the monies are intended to be used for the care of collections will be sought from Arts Council England.

Required revisions and additions to the 'Use of Proceeds of Sale' section in GAG 'Acquisitions and Disposal Policy' as stipulated in the Accreditation template

13.i Any monies received by the museum governing body from the disposal of items will be applied solely and directly for the benefit of the collections. This normally means the purchase of further acquisitions. In exceptional cases, improvements relating to the care of collections in order to meet or exceed Accreditation requirements relating to the risk of damage to and deterioration of the collections may be justifiable. Any monies received in compensation for the damage, loss or destruction of items will be applied in the same way. Advice on those cases where the monies are intended to be used for the care of collections will be sought from the Arts Council England.

13.j The proceeds of a sale will be allocated so it can be demonstrated that they are spent in a manner compatible with the requirements of the Accreditation standard. Money must be restricted to the long-term sustainability, use and development of the collection.

Appendix 2

Grants received by Guildhall Art Gallery since 2002

Date	Funding body	Project	Grant
2002-2008	V&A Purchase Grant fund	Acquisition of a total of 8 works of art	£27,201
2002-2008	Art Fund	Acquisition of a total of 6 works of art	£21,537
2002-2005	Heritage Lottery Fund	Acquisition of a total of 3 works of art	£52,648
2007-2008	Heritage Lottery Fund	'Mile of Style' exhibition	£12,200
2009	NADFAS	Conservation internship	£6,000
2009	Renaissance London	'Stories of the World' project	£20,000
2010-2012	Clothworkers' Company	Conservation internship - ICON	£23,000
2010	Local Authority Museums Improvement Programme	Youth audio trail	£2,000
2012-14	NADFAS	Guildhall Gallery Conservation internship	£15,000
2012-14	The Radcliffe Trust	Guildhall Gallery Conservation internship	£9,000
2013	Art Fund	Acquisition of 'Plenty and Progress' by Mark Titchner	£5,000
2013	V&A Purchase Grant Fund	Acquisition of 'Plenty and Progress' by Mark Titchner	£9,500
2014	Heritage Lottery Fund	'Black British Artists' exhibition project: joint bid between GAG, LMA and FHALMA	£297,431

Total: £500,517