

<b>Committee(s)</b>	<b>Dated:</b>
Culture, Heritage and Libraries	13 July 2015
<b>Subject:</b> Guildhall Library Centenary Fund	<b>Public</b>
<b>Report of:</b> Director of Culture, Heritage and Libraries	<b>For Decision</b>

### **Summary**

Guildhall Library Centenary Fund is a registered charity (9206950) with charitable objects, for the public benefit to advance the education and training of the public in the provision of library, archive, museum and gallery services. It currently holds a relatively small amount of capital (£23,878) and has been largely dormant. It is now the intention to advertise it more actively in the hope of attracting donations.

### **Recommendation(s)**

The strategy going forward should be one of encouraging donations to build an endowment, on the understanding that a progress report is brought in due course to enable this to be kept under review.

## **Main Report**

### **Background**

1. Guildhall Library Centenary Fund is a registered charity first set up in 1929 (marking the anniversary of the refunding of Guildhall Library 100 years before) "for the purchase of works of art, books, prints, engravings and articles of historical, archaeological or literary interest for Guildhall Library". It was initially established with a gift of £500 from Sir Charles Wakefield (Lord Mayor of London in 1916), which gift was matched by the City Corporation in the hope that the charity would subsequently attract donations to create a fund which would generate an income to supplement the acquisitions budget of the Library. There has not hitherto been a strong tradition of fundraising within the City Corporation for this charity, and although occasional sums have been added to the endowment over the succeeding decades it has never generated significant income.

2. In 2009, when a corporate review of City Corporation charities took place, the value of the Charity's reserves stood at approximately £8,000 and its income was just under £500 per annum. The opportunity was then taken to modernise the objects and powers of the charity, to substitute the City of London Corporation as sole trustee, and to transfer to it the assets of two other small arts and libraries charities associated with the City Corporation: the Library, the English Philological Endowment Fund, and the Alderman Samuel Wilson's Gift of Harbinger's Portraits. The English Philological Endowment Fund had, at the relevant time, reserves of approximately £4,500 and income of around £250 per annum. The assets of the Alderman Samuel Wilson's Gift of Harbinger's Portraits were pictures in the Guildhall collection (and without any endowment). Upon transfer of the assets of these two charities the permanent endowments were maintained.
3. The Charity is governed by a trust deed dated 7 March 1929, and a Charity scheme dated 8 June 2011. The objects of Guildhall Library Centenary Fund (registered charity no 206950) are now, for the public benefit, "to advance the education and training of the public, in particular but not exclusively, by the provision of library, archive, museum and gallery services". The purposes of the Charity are therefore now less focused on acquisitions. However, the original provision in the founding trust deed remains in effect, that is: all works of art, books, prints, engravings and other articles of historical archaeological or literary interest purchased in pursuance of the Charity's trusts shall be deemed to be the property of the City Corporation (in its general corporate capacity).
4. The City Corporation as Trustee, currently acting through the Culture, Heritage and Libraries Committee, has the power to apply both income and endowment (expendable and permanent) to further the Charity's purposes (after first meeting the costs of administering the charity). Therefore, the Charity's funds may be applied to collection development, as originally intended, but could also be applied more broadly in the delivery of library, archive, museum and gallery services, and other related projects, with a view to educating the general public. The current value of the Charity's assets, with some recent modest donations added, is £23,378, of which £14,612 is held as an endowment fund in Charities Pool investments, and £8,766 in cash as an unrestricted fund.
5. Unlike a number of City Corporation grant-making charities which have recently been considered under the Corporate Service Based Review of Grants, and recommended for merger or consolidation, this Charity has currently focussed its limited resources on the support of the City Corporation's delivery of culture, heritage and libraries services, rather than distributing grants to third parties. For that reason it was considered to be out of scope of that Corporate Review.

## Current Position

6. There are no immediate acquisitions or projects which support a rationale for expending, and thereby reducing, what is currently a relatively small amount of capital. The Charity attracts very few donations, not least because it has not, at least in recent years, been actively promoted. Income generation is however increasingly being focused upon as an area for proactive initiative by the City Corporation and Guildhall Library has recently made an appointment to a redefined post of Events and Development Manager, part of whose responsibilities include fundraising. The intention is that this person will raise the profile and existence of the Charity, through publicity onsite and online, so as to encourage gifts and bequests; this support to the Charity being provided as an in-kind donation. If the Charity can be thus developed with an endowment fund sufficient to generate useful dividends, it will have a more enduring value than would be the case if the Charity's funds were merely expended and the Charity closed.
7. The City as sole corporate Trustee has an obligation to act in the best interests of the Charity and its beneficiaries. It should also have regard to its on-going trustee obligations, for example to ensure the on-going solvency of the Charity and to use the charitable funds and assets reasonably in furtherance of the Charity's objects (which will include preserving and conserving the Charity's existing acquisitions and assets, such as the Harbinger's Portraits).
8. As Trustee, the City Corporation must ensure any conflicts of interest (in particular conflicts of loyalty) that arise in its stewardship of the Charity are properly managed. In managing those conflicts, the City would not be permitted to apply the Charity's funds to relieve the City Corporation of any legal obligation it may have to fund those activities acting in another capacity; rather the Charity's funds may only be applied to substitute discretionary expenditure by the City where those purposes are charitable and in the best interests of the Charity and its beneficiaries.
9. In the longer term, the City Corporation as trustee will need to consider how the Charity's funds can be best applied having regard to the above considerations and the broad objects of the Charity – having regard to the City's delivery of relevant services and activities, and also to others operating in the wider culture, heritage and libraries sector. As the assets of the Charity are currently limited, it is proposed that for the immediate future the Charity's strategy should be one of encouraging donations rather than expenditure, so as to build up endowment; and that a suitable reserves policy be adopted.
10. The experience of other cultural and heritage services, many of whom are increasingly operating in this sphere, is that fundraising is a long-term activity in which quick results are rarely guaranteed, and where relationships with potential donors need to be cultivated. The City Corporation offers many discretionary services as part of its culture, heritage and libraries offer to the general public, including those of kinds which are used by researchers over long periods of time and which could generate the loyalty and gratitude to attract gifts to a charity

associated with the City Corporation, such as the Guildhall Library Centenary Fund.

11. It is suggested that, in accordance with the usual reporting arrangements for charities for which the City Corporation is trustee, a progress report is brought back to Committee on an annual basis. If, over time, there is little evidence of success in attracting donations to grow the endowment then an alternative strategy might need to be considered.

## **Conclusion**

12. Guildhall Library Centenary Fund has for many years been a largely inactive charity but it is timely to seek to grow the endowment fund with a view to providing the Charity with greater resources to operate more effectively to achieve its charitable purposes. This will be pursued, as far as the City Corporation's fundraising resources allow, and the Committee will be updated on progress in due course.

### **David Pearson**

Director of Culture, Heritage and Libraries

T: 020 7332 1850

E: [david.pearson@cityoflondon.gov.uk](mailto:david.pearson@cityoflondon.gov.uk)