

Southend-on-Sea Borough Council
Report of Executive Director for Adults and Communities
to
Cabinet
on
16 June 2020

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**Agenda
Item
No.**

5

The Beecroft Trust

Place Scrutiny Committee
Cabinet Member: Councillor Kevin Robinson
A Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To propose improved governance arrangements and decision making for the Beecroft Trust (“the Trust”).

2 Recommendations

- 2.1 That the Council’s General Purposes Committee act on behalf of the Trust and make recommendations for Full Council to consider.
- 2.2 That independent advice is provided to the Beecroft Trustee (“Trustee”) through the General Purposes Committee to fulfil its objectives in the best interest of the Trust.
- 2.3 That specific independent advice is sought and provided on the Beecroft Art Gallery site at Station Road, Westcliff (“the Former Gallery”).

3 Background

- 3.1 The Trust, consisting of the Former Gallery and art collection, was founded in April 1949 by the late Walter G. Beecroft of Leigh-on-Sea, for the charitable objectives for the advancement of Art, Music and Literature in the Borough of Southend on Sea. The Former Gallery was purchased in October 1951 with Trust funds. The gallery first opened in October 1953. Over time the collection has grown through donations from Friends of the Beecroft Art Gallery and when Sydney Thorpe Smith bequeathed his collection of local topographic works.
- 3.3 The Trust’s objectives are as follows: THE PROMOTION OF THE STUDY OF ART, MUSIC AND LITERATURE AND IN PARTICULAR, BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, THE PROVISION AND MAINTENANCE OF THE BEECROFT ART GALLERY AT SOUTHEND-ON-SEA IN THE COUNTY OF ESSEX AS A PUBLIC ART GALLERY AND LIBRARY (“the Charitable Objects”).
- 3.4 The Trust’s assets consist of the art collection and the Former Gallery. Both these assets are investment permanent endowment, the Trust has no liquid assets.

- 3.5 Following a building survey in 2013, the Former Gallery was declared to be in a state of disrepair, having suffered structural movement and had to be abandoned and the gallery and art collection was moved to the Council's former central library in Victoria Avenue ("the Current Venue"). This move was regarded as temporary with the original expectation that the museum and gallery would all ultimately move to the developing Thames Estuary Experience (TEE) on the seafront. In summer 2018 the Council decided not to progress with the TEE.
- 3.6 The Trust's art collection is extensive and of National significance with notable works by Constable and Reynolds. In the Current Venue there is not enough appropriate conditioned display or storage space.
- 3.7 The operational objectives of the Trust are delivered by Southend Council's museums service located at the Current Venue. Along with the Trust's art collection, the Current Venue is also host to other temporary art exhibitions and lectures, The Hive business centre (2nd and 3rd floor) and the Jazz Centre UK (basement).
- 3.8 In 2015 following public consultation on the Station Road site, a concept to convert the space into Artist Studios was developed with Focal Point Gallery taking a lead role. A successful Arts Council external funding bid of £500,000 was achieved along with two donations from arts foundations.
- 3.9 In 2019 further structural damage was identified at the Former Gallery which put the project out of scope for conversion. The Former Gallery building is still deteriorating both physically and in value and presents a risk should anyone be injured on the premises. Despite it being secured with hoardings, it has been raided and squatters have also been present on occasion.
- 3.10 The Council is the sole Trustee of the investment permanent endowment, consisting of both the Former Gallery and the art Collection which are held in trust for the Trust's Charitable Objects. The Charity Commission Scheme dated the 18th February 1980 ("the Scheme") forms the current terms under which the Trust is governed and how the Trustee operates the Trust. The Council's Constitution permits all the Council's elected Members to make decisions on behalf of the Council acting as sole Trustee for the Trust. The Council's elected Members are required to act in the best interests of the Trust and not the Council's interests. Where there is any potential of a conflict of interest between the Council's interests and the Trust's interests, then independent legal or professional advice should be sought and provided to the Council in its capacity as Trustee.
- 3.11 The Former Gallery is dormant, deteriorating and losing value, with the art collection being temporarily housed at the Current Venue. The Trustee should decide expediently on the best outcome for the Charity's sustainable future in delivering its Charitable Objectives with specialist Charity advice in respect of the Trust's investment permanent endowment.

4. Other Options

- 4.1 The Trustee can consider whether the Trust can be wound up. This is not recommended as it is extremely unlikely to be in the Trust's best interests.

Independent advice would be required for the Trustee and any decision made by the Trustee will also require the approval of the Charity Commission. The Trust is unable to give the remaining assets to another charity if there is permanent endowment. Any assets held by the Trust cannot pass to the Council as a charity cannot generally transfer its property to a non-charitable body or for a non-charitable purpose.

The Trustee could continue the status quo. This is not recommended as the Former Gallery is subject to further deterioration and diminution and this is unlikely to be in the Trust's best interest.

Independent advice provided to the General Purposes Committee will ensure that the Trustee will have the viable options presented to them

5. Reasons for Recommendations

5.1 Focusing specific agenda time on the General Purposes Committee will allow due consideration from independent advice on financial matters. Wider input from external advisors would also be recommended to support Members of this committee in reaching an informed view. Other trusts advertise for specialist skills and this could be developed over time and is in alignment to support the Council's 2050 Active and Involved agenda.

6. Corporate Implications

6.1 Trustee to manage the Trust in accordance with the Scheme, its Trustee's duties and the Charitable Objectives of the Trust. The Trust achieving its cultural objectives enhances the cultural and creative agenda for Southend and this features significantly in the Council's Southend 2050 outcomes.

6.2 Financial Implications

6.2.1 Financial liabilities at the Former Gallery, the current revenue cost (approximately £75,000) for the associated costs of the Trust occupying the Current Venue and the Trust's employee expenses (approximately £80,000) are currently being subsidised by the Council as the Trust produces very limited income. The Trustee needs to consider ways it can generate income and/or utilise its assets to ensure its future financial sustainability.

6.2.2 The Trust pays no rent to the Council for its temporary occupation of the Current Venue.

6.2.3 The Council's Museums and Gallery team currently programme the Trust's art Collection for the public in the Current Venue.

6.2.4 Specialist advice will cost approximately £15k which would be made available from the 2020/21 contingency fund.

6.3 Legal Implications

6.3.1 Liabilities as above in finance section.

6.3.2 The Trustee must act in the best interests of the Charity not the Council. Any decision by Trustee may be subject to review and/or challenge by the Charity Commission acting as regulator.

6.3.3 The Trust at present is not potentially maximising its financial returns by considering its options for investment of its assets consistent with its Charitable Objectives. The Trustee must consider the Trust's longer-term financial sustainability and its management and governance arrangements, with decisions always being made in the best interests of the Trust and achieving the Trust's Charitable Objectives.

6.4 People Implications
N/A

6.5 Property Implications

6.5.1 The Former Gallery is in very poor condition and is at risk from further deterioration and diminution.

6.5.2 There is insufficient storage space for the current collection at the Current Venue.

6.5.3 The Charity are not occupying the Current Venue with the benefit of any leasehold interest.

6.6 Consultation

NA

6.7 Equalities and Diversity Implications

NA

6.8 Risk Assessment

NA

6.9 Value for Money

NA

6.10 Community Safety Implications

NA

6.11 Environmental Impact

NA

7. Background Papers
none

8. Appendices
none