

## Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cllr Kevin Guy, Leader of the Council	
MEETING/ DECISION DATE:	On or after 3 December 2022	EXECUTIVE FORWARD PLAN REFERENCE:  E3427
TITLE:	Creation of the Fashion Museum Foundation	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> <ul style="list-style-type: none"><li>○ <b>Draft Memorandum and Articles of Association of The Fashion Museum Foundation – Appendix A</b></li><li>○ <b>Draft Memorandum of Understanding between Heritage Services and The Fashion Museum Foundation – Appendix B</b></li><li>○ <b>E3346:<a href="https://democracy.bathnes.gov.uk/mglIssueHistoryHome.aspx?Ild=34251">https://democracy.bathnes.gov.uk/mglIssueHistoryHome.aspx?Ild=34251</a></b></li></ul>		

### 1 THE ISSUE

- 1.1 The creation of a charity to support the Fashion Museum redevelopment project was agreed in principle as part of the Heritage Services Business Plan 2022 – 2027 (ref: E3346). Heritage Services (the Service) has worked with solicitors Winckworth Sherwood to prepare the registration documentation for the charity and is now ready for the next step: registration with Companies house and subsequently the Charity Commission. The Service is seeking approval to proceed with set up. The Fashion Museum Foundation (the Charity) will be a registered charity and a Company Limited by guarantee. This charity aims to fulfil the Council's vision for the Fashion Museum project through its objects. This replicates the existing successful model between the Service and the Roman Baths Foundation.

### 2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 **Approve the creation of the Fashion Museum Foundation, to support the Re-Fashioning Bath project to deliver the new Fashion Museum and Fashion Collection Archive Project.**

### 3 THE REPORT

- 3.1 The charity will be an independent organisation with a board of trustees. It will function in the same way as The Roman Baths Foundation (RBF). The creation of RBF is a proven strategy for successful advocacy and fundraising of significant projects.

The creation of RBF played an important part in the Archway Project, to create a Clore Learning Centre and World Heritage Centre. RBF attracted £800,000 to the project (16% of the total project costs). The majority of this was from Trusts and Foundations who awarded significant grants, which the Council was not eligible to access and from individuals who also Gift Aid to their donation.

- 3.2 The charity and its trustees will support the Re-Fashioning Bath project by:

- Advocating for the world-class collection with a global audience.
- Building meaningful relationships with the fashion industry, educators and any key stakeholders with a connection to the Fashion Museum's vision.
- Developing the Fashion Museum as a leader in using collections to advance social cohesion, environmental sustainability and responsible business practice.
- Fundraising for the new Museum and the Fashion Collection Archive.

- 3.3 The charity's objects (see attachment A) will be:

- to establish and maintain a Fashion Museum and Fashion Collection Archive in Bath and/or
- to facilitate the development, management, conservation and care, documentation, presentation and interpretation of the collections held at the Fashion Museum and Fashion Collection Archive, for the benefit of the public and/or
- to encourage, promote and educate the public in fashion through its support of the Fashion Museum and Fashion Collection Archive.

- 3.4 A Memorandum of Understanding (See attachment B) will exist between the Service and the Charity. There is a comparable MoU in place between the Service and RBF. It will set out the roles, accountabilities and responsibilities of trustees and Council staff in detail. This MoU is recommended by the Charity Commission if a charity is linked to a non-charity. It is currently draft; the trustees of the charity will need to input into the creation of the final MoU.

- 3.5 As per E3346: "It should be noted the Charity will not be a 'Connected Entity' to the Council for accounting purposes. Following the model of the RBF, the Council will have only minority representation on the board of any charity. This will ensure that the financial risks of the charity are not accounted for as a liability on the Council's accounts. However, this will also mean that the Council will not be able to exercise control over the Charity – it will be a separate legal entity. It is the opinion of the Service that the benefits of having a charity out-weigh any risk associated with this and the experience of the RBF gives confidence that

this lack of direct control would not be a hindrance to securing funds and delivering the Fashion Museum project successfully.”

- 3.6 As mentioned in E3346, the Council can only access a limited amount of funding from the pool of identified trusts and foundations whereas a charity could access a significantly larger sum from a more diverse pool of funders. Evidence about the giving behaviour of major donors suggests High Net Worth Individuals give larger sums when they can do so in a tax efficient way. The creation of a charity means individuals can also add gift aid to their donations. Corporations working with the charity are more likely to fulfil their Corporate Social Responsibility obligations via a charity than a council.

## **4 STATUTORY CONSIDERATIONS**

- 4.1 N/A

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 5.1 The Memorandum and Articles of Association includes a clause (19.4) that states the Council can nominate up to 2 people to the board of trustees, as they currently do with RBF. The Board will meet 3 to 4 times per year. Trustees will also be expected to attend advocacy events and use their own networks to fulfil the charity's objects.
- 5.2 Within the Service, a Company Secretary will be appointed. This will be the responsibility of the Head of Heritage Services. They will be supported by other Service staff to ensure the charity meets its obligations with HMRC, the Charity Commission and collaboration with the Service as per the MoU.
- 5.3 The registered address for the charity will be the Pump Rooms, Stall Street. Board meetings will take place at in-person/hybrid here and they may also take place at Dents or in the Clore Learning Centre.
- 5.4 The set-up costs are low in comparison to the potential donations that can be generated for the Charity's first project - the creation of a new museum and fashion collection archive - and the low-overheads of the charity.

## **6 RISK MANAGEMENT**

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

## **7 EQUALITIES**

- 7.1 The prospective long list of candidates for the trustees is being selected with the diversity of participants in mind. The Charity trustees will be responsible for carrying out Equality Impact Assessments pertaining to their objects. The MoU will include collaborative clause(s) between the Service and Charity which will focus on Equalities. The Service is in the midst of reviewing its work in term of EDI as per E3346 section 7.1: “Whilst the service conforms to best practice as set by the council and statutory legislation there are specific actions and approaches that could be taken in the context of its conservation, presentation and engagement activities. These in turn will impact on the audiences the

service reaches and the staff it employs. These will be crystallised over 22/23 with a clear action plan established to move forward in this area.”

## 8 CLIMATE CHANGE

8.1 The MoU between the Charity and the Service will include collaborative clauses connected to the Service’s approach to net zero. This will include adhering to the Services’ ethical fundraising policy and not seeking funds from organisations or individuals that contradict the mission, aims and values of the Council. As per E3346: “The journey to net zero will begin in earnest in 22/23. The service will undertake to create a strategy looking forward to 2030 that will set out what actions need to be taken to reach net zero within its own carbon boundary. Further to this, the service will also work with stakeholders to initiate a sustainable tourism strategy for BANES.

## 9 OTHER OPTIONS CONSIDERED

9.1 As per E3346 (9.1)The Service considered not establishing a charity. The feasibility work carried out by the Service and with external consultants (see 3.7), continuous prospect research and horizon scanning demonstrates this would be ineffective and place the vision for the Fashion Museum at risk.

9.2 The Service considered altering the objects and mission of the Roman Baths Foundation to a broader remit that incorporated all of the Service is responsible for. However this was rejected as it would provide a lack of clarity and focus for very different Museums and Collections with differing needs.

## 10 CONSULTATION

10.1 Prior to this paper, E3346 stated: “The Business Plan and recommendation to create a charity have been reviewed and approved at both Senior Leadership Team and Informal Cabinet.”

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<b>Background papers</b>	N/A
<b>Please contact the report author if you need to access this report in an alternative format</b>	