Art Fund

Annual General Meeting

Held via: Zoom webinar
On: Thursday 18 June 2020 at 5.00pm
Chairman: Lord Smith of Finsbury

Item 1 Chairman’s introduction
Lord Smith of Finsbury

The Chairman introduced himself and welcomed everyone to the AGM. He outlined the format and timings of the AGM and noted that this was the first time that the meeting had been held virtually. He confirmed that this was within Charity Commission guidelines, produced in response to the Covid-19 pandemic.

Item 2 Trustee matters
Liz Forgan

The Chairman then handed over to Liz Forgan, Art Fund trustee, to deal with the re-election of the five Trustees that retired by rotation and offered themselves for re-election: Philippa Glanville, Isaac Julien, Jeremy Palmer, Monisha Shah and Lord Smith of Finsbury. All were re-elected following an online poll, with a majority of 87%.

Item 3 Chairman’s review
Lord Smith of Finsbury

The Chairman talked attendees through the agenda for the rest of the meeting.

The Chairman noted that the UK’s museums and galleries were facing many challenges, particularly with regard to re-opening and welcoming visitors back safely, and noted that Art Fund’s grant-giving and advocacy would be needed now more than ever. This activity was only made possible by the commitment of its 159,000 members and donors.

He highlighted that in 2019 Art Fund had committed £4.7 million in grants for new acquisitions, enabling more than 970 objects and works of art (including 480 from the Bachelor bequest) to enter UK museum collections. In total Art Fund had committed £7 million across all its grant-giving programmes.

Art Fund’s support for touring and sharing continued through programmes such as the Weston Loan Programme, and it had reinforced its support for the training and professional development of curators through initiatives such as the Association of Art Museum Curators (AAMC) International Exchange Programme.

Art Fund had also enhanced its support for museums beyond grant-giving, and its crowdfunding platform, Art Happens, had hosted the biggest ever arts crowdfunding campaign, for Derek Jarman’s Prospect Cottage.

The Chairman offered his thanks to Art Fund members, on behalf of Art Fund and museums across the UK.
Item 4  Presentation of the accounts for the year 2019
Jeremy Palmer

Jeremy Palmer, Treasurer, added his thanks to members for their important, continued support.

Mr Palmer noted that Art Fund’s financial performance had been strong in 2019, with significant increases in both income and charitable expenditure. The charity had continued to invest in the systems and structures needed to support delivery of the strategy, to increase income, and to continue to expand the programme.

The balance sheet had also grown, due to gains on the investment portfolio, which had enabled Art Fund to continue its support of museums and galleries, despite the many challenges brought about by the Covid-19 pandemic.

Mr Palmer laid the accounts before the membership and confirmed that the accounts had been audited by BDO LLP, approved by the trustees at the May board meeting and had been published on Art Fund’s website.

He then talked through the accounts in detail. In particular he noted that Art Fund had generated a total income of £17.1 million, which meant an increase of £2.3 million from 2018. The charity was also very grateful to those who had left a legacy in their wills which, in 2019, totalled £6 million. For the figures for the past five years, once the more volatile streams of income had been stripped out, only a marginal decrease in income could be seen in 2019.

Art Fund continued to invest in the National Art Pass and this had delivered a steadily increasing contribution to the charitable programme. In 2019 the membership had grown to 159,000 members and generated £8.1 million in income, an increase of £0.3 million from 2018.

In terms of efficiency, Art Fund ensured that the cost of administering the charity remained proportionate to the scale and sophistication of its activity, by maintaining a tight control over the day-to-day administration costs, at the same time as supporting projects that would result in future efficiencies or income growth. In 2019, these costs as a proportion of charitable expenditure remained stable at 10.5%.

With regard to impact, expenditure on charitable activity had increased in 2019 by £2.9 million, and the composition of this support had diversified as Art Fund had listened to the needs of the sector.

In 2019 Art Fund’s total funds had increased from £53 million to £58.3 million, and the free reserves increased from £6.7 million to £8 million. Excluding gains on investments, the charity broke even operationally for the year, however this was before the application of its ‘total return’ investment policy, which enabled Art Fund to treat a portion of long-term investment gains as income, and use it for administrative support costs.

The investment portfolio had performed strongly and seen a net gain of £5.4 million, which offset the loss of £1.7 million in 2018.

In terms of the current situation, brought about by the pandemic, the portfolio initially lost 12% of the total fund value, but it had recovered slightly, and the current loss was estimated at approximately 6%. This was considered to be a good position, given the circumstances, and was likely a result of the more defensive stance taken in the portfolio in recent years.

Art Fund’s investment objectives remain focused on the long-term and, although the markets had been slowly returning towards previous levels, the charity would continue to be appropriately cautious.
Item 5  Director’s review
Jenny Waldman

Following a question submitted via the Q&A function available in the online platform, the Chairman confirmed that the slides would be made available to any member who wished to receive a copy. He then thanked Stephen Deuchar, the outgoing Director, for his leadership of Art Fund during ten years of change and ambition, and welcomed Jenny Waldman, the new Director. In particular he was pleased to note Ms Waldman’s invaluable experience of working with museums and artists through her work at Somerset House, the Cultural Olympiad and 14-18 NOW.

He went on to say that Art Fund remained committed to helping museums to build and share their collections, and to develop the skills and ambitions needed to do so. At the same time, Art Fund wanted to help museums to recover from the current crisis and work towards a brighter future. He then handed over to Jenny Waldman.

Ms Waldman outlined Art Fund’s response to the Covid-19 pandemic, and how it intended to support museums and galleries across the UK and ensure that they could continue to build and share their collections. Following consultation with hundreds of museum directors and arts professionals, the funding programme had been adapted and would focus on four priority areas: collections, audiences, workforce and digital. Art Fund would make more than £2 million additional funding available to help museums and galleries to grow and look after their collections, develop and implement re-opening plans to welcome visitors back safely, and continue to access and utilise their collections to develop digital content. The support of Art Fund members would be crucial, and further information about the programme could be found on Art Fund’s website via www.artfund.org/together.

With regard to Art Fund in 2019, Ms Waldman noted that Art Fund had seen a 5% rise in membership since January 2019, and the support of these members, supporters and patrons had enabled nearly 1,000 works of art to join the permanent collections of museums across the country. She mentioned some notable highlights, such as Walton Bridges by JMW Turner, which was acquired by Norfolk Museums Service with Art Fund support, and John Akomfrah’s Vertigo Sea, acquired jointly by Towner Art Gallery and Amgueddfa Cymru – National Museum Wales.

Other significant projects included:
- The campaign to raise £3.5 million to save Prospect Cottage, Derek Jarman’s former home and garden, which in ten weeks became the largest ever arts crowdfunding initiative with over 8,000 people donating. The campaign was also supported by the National Heritage Memorial Fund, the Linbury Trust, the Luma Foundation and the Roger De Haan Charitable Trust. The cottage and gardens would become a centre for creative activity through a partnership between Art Fund, Creative Folkestone and Tate;
- Future Collect, a three-year project with Iniva (Institute of International Visual Arts) that aimed to change how UK museums and galleries approach diversity when building collections, and would result in the acquisition of work commissioned through the project. Manchester Art Gallery would be making the first acquisition, and would be adding a work by Jade Montserrat to the collection;
- Grants for conservation, which were awarded for the first time in 2019. For example, the painted ceiling in the Church of St Leonard’s, Newton Abbot, which had subsequently become a key attraction for visitors and had led to new discoveries about the artist;
- The Art Talks programme, which had seen artists such as Caragh Thuring, Elspeth Owen and Hal Fischer delivering talks in museums and galleries in Exeter, Cambridge and Glasgow;
- Art Fund Museum of the Year, which in 2019 was awarded to St Fagan’s National Museum of History for its development project that included the direct participation of thousands of people;
- Art Assembly, a one-day festival that explored how art could make a difference to communities;
- The Weston Jerwood Creative Bursaries, which would support 50 paid, year-long fellowships for artists, curators, producers and creatives in 50 host organisations across the country. This project aimed to offer a step-change opportunity for people from backgrounds currently under-represented in the arts; and
- Further development of the Student Art Pass, which had enabled Art Fund to connect hundreds of students with paid opportunities to gain experience in the arts.

Ms Waldman highlighted that these were just a small sample of Art Fund’s work, which she hoped would offer inspiration and evidence as to why museums mattered.

Item 6 Questions
Lord Smith of Finsbury

The Chairman then opened the ‘question and answer’ section. He noted that a number of questions had been received in advance, and these would be answered first. Any member who wished to ask a question during the meeting was invited to do so via the Q&A functionality provided by the online platform. The Chairman indicated that the panel would answer as many questions as possible in the time available, and any member with a question outstanding at the end of the meeting would receive an individual response as quickly as possible.

The first question focused on what Art Fund was doing in response to the current crisis, and what members might do to help.

Jenny Waldman provided additional information about Art Fund’s adapted funding programme, and highlighted in particular: the new Respond and Reimagine grant programme; a new partnership with the Museum Development Network to distribute funds to smaller museums that fell outside the scope of help from other funders; support for the Museum And Galleries Network for Exhibition Touring (MAGNET); and a collaboration with Clore Leadership to help sector professionals to develop core leadership skills. In addition, Art Fund’s Small Project and Network grants would continue.

Museums and galleries would also be supported by free access to Art Fund’s digital services, specifically Art Tickets, which would help them with advanced and timed ticketing.

She confirmed there was additional support available to museums and galleries from other public bodies, including Arts Council England, Creative Scotland, and the Arts Council for Wales, and it was reassuring to be part of a joined up, helpful offer of support.

Ms Waldman then highlighted how important fundraising was to enable Art Fund to help museums and galleries across the UK, so member contributions would continue to be vital to fund future work in this area. Members were therefore asked to help Art Fund to continue to grow the membership, and also to alert any museums struggling in their areas to get in touch.

The second question related to the postponement and cancellation of exhibitions. Ms Waldman confirmed that although there would be inevitable changes to exhibition programming, the feedback that Art Fund had heard from the sector was relatively positive. Museums and Galleries remained committed to putting on high quality exhibitions for the benefit of their visitors, but needed to remain flexible about when they might be delivered. In the meantime, Art Fund would keep members updated through its website, digital channels and through Art Quarterly.

The next question asked how much money came into Art Fund following the dissolution of the volunteer committees. The Treasurer thanked all regional committee members and confirmed that the gross figure,
as given in the Statement of Financial Activities, was £257,000, and that the costs of the events, and direct support costs, could be found separately on the same page of the accounts.

A member then asked about the rotational retirement and re-election of Board members which had taken place earlier in the meeting. The Chairman confirmed that the retirement and re-election that took place at each AGM was dictated by the Royal Charter and Bye-Laws, which dated to 1928, but added that a separate process was also in place to ensure that the membership, skills and quality of the Board was refreshed regularly. Board members currently served a maximum of two, five-year terms, and vacancies were advertised in Art Quarterly. Art Fund was, however, committed to making sure that the Board was as effective as it could be, and was therefore in the process of commissioning a Board review; part of this would be a consideration of how best to ‘cast the net’ as widely as possible in order to draw in the greatest range of skills.

A question followed about the number of Art Fund staff members. Jenny Waldman confirmed that there was an average of 68 members of staff in 2019, an increase of 1 from 2018. This represented 10.5% of overall expenditure. She agreed that Art Fund had intentionally invested in staffing, in order to support the sustainable growth of the charity, in line with the approved strategy. Art Fund was a complex organisation that supported 159,000 members and 770 museums and galleries and, as it received no government funding, needed to raise funds to support its work. The amount spent on staffing was therefore considered to be proportional to the needs of the organisation.

A follow up question on the number of full-time equivalent staff was asked via the Q&A functionality, and Art Fund answered that in 2019 the average was 62.5.

A member then asked how trustees ensured that museums and galleries did not pay too much for a work of art. The Chairman explained that, during the application stage, museums and galleries were asked to provide an independent valuation (from an expert that did not know the asking price), and also evidence of negotiations conducted on a museum discount. If trustees still did not feel that the asking price was reasonable, given their own experience and expertise, they could make a reduced offer and encourage further negotiation.

A question was posed regarding Art Fund’s approach to ensuring that individuals from under-represented communities were reflected at all levels within the sector. Jenny Waldman stressed that Art Fund was absolutely committed to work in this area, and noted in particular the Weston Jerwood Creative Bursaries, Future Collect and the recent support for the Clore Leadership programme as recent examples.

The same member queried whether Art Fund would consider recruiting individuals under 30 to the Board. The Chairman agreed that having a broad representation on the Board was important, and the potential for recruiting younger trustees was of interest and would be certainly be considered in the Board review. In the meantime, any trustee vacancies would continue to be advertised via AQ and online.

Item 7  AOB
Lord Smith of Finsbury

As there was no other business, the Chairman thanked members for attending and added that any outstanding queries would receive an individual response as soon as possible. The meeting was then brought to a close.