

**SURREY COUNTY COUNCIL**

**LEADER OF THE COUNCIL**

**DATE: 10 NOVEMBER 2015**

**LEAD OFFICER: DAVID MCNULTY, CHIEF EXECUTIVE**

**SUBJECT: WATTS GALLERY AND THE ARTISTS' VILLAGE, COMPTON**



**SUMMARY OF ISSUE:**

Watts Gallery Artists' Village in Compton, owned by the Watts Gallery Trust, is a unique arts and crafts centre in Surrey Hills which provides opportunities for visitors to see the work of leading Victorian artists G.F. and Mary Watts and other linked exhibitions, and engage in a wide range of activities which capture the Watts' commitment to "Art for All". The Watts Gallery Trust has purchased the Watts' original home and studio, Limnerslease, as part of the Village, with the home being partly funded through time-limited loans.

The report identifies support proposed to be provided by the Council to the Trust, by funding £1m (secured by a legal charge on the property) to ensure that Limnerslease remains in the ownership of the Trust and is further developed to enable the Trust to enhance its profile as a leading heritage, arts and educational centre in Surrey and, increasingly, nationally.

The benefits for Surrey residents will include increased business and employment opportunities, an expanded cultural experience for the public, a boost for local tourism and further opportunities for schools and other groups to have practical involvement in a diverse and imaginative range of art and craft activities.

**RECOMMENDATIONS:**

It is recommended that the Leader agrees:

1. That the Council will provide £1m funding to the Watts Gallery Trust to invest in Limnerslease and to enable the Trust to retain its ownership of the property, such sum to be secured by a charge on the property.
2. That the Director of Legal and Democratic Services, in consultation with the Leader and the Chief Executive, will finalise the terms of an agreement with the Watts Gallery Trust to enable the provision of the funding and to secure this funding with a registered charge.

**REASON FOR RECOMMENDATIONS:**

The proposed funding will mean that Limnerslease, in its entirety, can remain in the ownership of the Trust and continue to be restored as a studio, gallery and living museum, including the transformation of areas dedicated to "Art for All" activities and workshops. This will enable the Trust to continue to develop its profile as a leading heritage, arts and educational experience both in Surrey and nationally, and with an increasingly international reach.

The benefits for Surrey residents will include increased business and employment opportunities, an enhanced cultural experience for the public, a boost for local tourism and further opportunities for schools and other groups to have practical involvement in art and craft activities.

## **DETAILS:**

### **Background**

1. Watts Gallery Artists' Village in Compton is a unique Arts & Crafts centre situated in Surrey Hills, which provides opportunities for visitors to explore the work of the eminent Victorian artists G.F. and Mary Watts in the place where they lived and worked, and engage in a wide range of activities, including workshops and practical demonstrations, which capture the Watts' commitment to "Art for All". Watts Gallery Trust, which owns the estate, is an arts and education charity. The Gallery itself is a Grade II listed building which has been transformed by a major £11m refurbishment, and the profile of the venue has been enhanced by an increasingly dynamic outward focus over the last 10 years. The Gallery was reopened in 2011 and was a finalist in the Arts Fund Museum of the Year Awards in 2012. In 2014, the Trust was given long term responsibility for the Grade I listed Watts Chapel and Grade II listed cemetery which also form part of the Village.
2. As a result of this transformation, the Gallery's annual turnover has increased from £300k to £1m over a period of 10 years, employment has increased from 3 staff to approximately 50 and the number of volunteers assisting at the Gallery, for example as guides or stewards, has increased from a small handful to nearly 300 per year.
3. In recent years, the Watts Gallery Trust has purchased Limnerslease, the home and studios of the Watts and a Grade II listed building, which is situated near to the Watts Gallery and regarded by the Trust as the "final piece of the jigsaw" for the Artists' Village. The Trust is in the process of restoring and developing the studios in Limnerslease and these will include further gallery areas and a large learning space providing more opportunities for workshops and demonstrations for a whole range of different groups. The studios will be opened to the public in 2016. The Trust also wishes to restore the Watts' former living accommodation in Limnerslease which includes some uniquely and finely decorated ceilings and other parts designed, created and installed by Mary herself.
4. The purchase of this part of Limnerslease was partly funded by time limited loans which will need to be repaid by May 2016. The proposal in this report is for the Council to provide funding that will enable Limnerslease to remain in the ownership of the Trust when these loans need to be repaid and to enable it to continue to develop its profile as a leading heritage and arts centre both in Surrey and nationally, and also increasingly of international importance. The funding will be secured by a charge on the property, which can be redeemed in the event that there are significant changes to either the ownership of the property or its use.
5. The investment will secure the continued ownership of Limnerslease for the Watts Gallery Trust, and enable the ongoing restoration, and development of a site of significant cultural importance for Surrey and national heritage as

well as providing an expansion of opportunities for education for all age groups. In turn, this will provide a boost for tourism, business and employment in the area.

### **“Art for All”**

6. The Trust runs the Charity in accordance with the founders’ philosophy of “Art for All”, i.e. with the aim of making arts accessible and inspiring to everyone. This is included in the Charity’s objects.
7. It has an imaginative and creative learning programme which has involved 14,000 participants, 150 student enquiries and internships and 40 school visits over the course of the year 2014-15.
8. The programme offers school sessions for primary and secondary children, including a Victorian dress day, self-guided tours and pottery workshops. For university students and researchers, there are opportunities for internships, study days and access to the Watts Gallery Library and Archive.
9. For life-long learners, Watts Gallery offers workshops, talks, seminars, art classes, tours and publications.
10. The Gallery additionally attracts 60,000 visitors annually and has almost 30,000 paid admissions. It hosts temporary historic and contemporary exhibitions, encourages young artists, stages concerts, readings and other live events. It supports research, trains interns and a trainee curator.
11. The average spend for a visitor to Watts Gallery in the local area, i.e. not just at the Gallery itself (including money spent in restaurants, pubs etc) is over £50.
12. In addition, Watts Gallery plays a vital role in the local community, providing a focus and a meeting point as well as a centre for learning and enjoyment for nearly 300 volunteers who are all provided with relevant training by the Trust.
13. The Watts Gallery’s “Big Issues” programme reaches over 800 socially excluded or vulnerable people including young offenders, those at risk of offending, those suffering mental health difficulties and prisoners. Participants learn art and design skills, how to express ideas and issues they care about and are given opportunities to exhibit and sell their work.
14. The Council is already linked to this work through the attendance of young people assisted by its Youth Support Service and the Family Support programme.

### **Limnerslease**

15. After the completion of the restoration of Watts Gallery, the opportunity to bring Limnerslease back into the public domain for public benefit offered a once-in-a-lifetime chance to establish an artists’ village in Compton comprising the Gallery and Old Compton Pottery Buildings, the Watts Chapel, and the studio and the Watts’ home at Limnerslease.

16. Limnerslease is the last surviving house and studio designed by the leading English architect Sir Ernest George and is the only 19<sup>th</sup>-century artists' studio with its collection still intact. This building is located on a hill across the lane from Watts Gallery. For the first time since it was subdivided and sold after Mary's death, Watts Gallery Trust has taken up a unique opportunity to save Limnerslease and include it as part of the Artists' Village experience.
17. The Limnerslease Project was established by the Trust, to raise the funds necessary to restore and develop the property, and to secure the long term ownership of the property given the time-limited loans.
18. The Project has been in two stages, the first to acquire and restore the Watts' studios wing of the property, and the second to secure and restore their domestic rooms in the remainder of the house. The purchase and restoration of the Watts Studios at Limnerslease has cost £5m, which has already been raised, and includes a Heritage Lottery Fund Award of £2.4m. As regards the remainder of the house, the Trust has needed to raise £1.83m for its purchase. Apart from the £1m advanced in loans, the Trust has now raised almost all of the remaining amount. There will then need to be further fund raising for the refurbishment of the house at an additional cost of approximately £3.25m.
19. The studios at Limnerslease, once opened in 2016, will help Watts Gallery Trust develop stronger links with schools as they provide ample room to house a class of 30 children, a significant increase on the space currently available at the pottery buildings. Additionally, a covered space will be provided outside allowing for a range of practical art workshops, increasing the possibility of accommodating a second class of children simultaneously. Larger special needs groups or adult education groups will also benefit from the flexible creative space and other initiatives will become possible, such as the Watts Academy for young people, more apprenticeships, a Watts study centre offering a lecture series and partnerships with other institutions. Watts Gallery Trust will be able to realise its mission to reach more young people at risk of offending and engage a greater spectrum of communities and groups of vulnerable people. The Watts Studios will fulfil the potential for the Watts Gallery to be a key player in the artistic, cultural and visitor economies of Surrey and to be an exemplar of sustainable cultural tourism and rural development.
20. Once renovated, the domestic rooms will offer an enhanced and unique insight into the home and social life of two leading Victorian artists and will further develop the whole estate as a leading national visitor attraction in Surrey and the South East. Currently there are more limited opportunities to visit these rooms in their present state but once restored it is intended that they will be open to the public throughout the year alongside the rest of the Artists' Village.
21. Securing the ongoing ownership and development of Limnerslease is expected to increase the number of visitors to Watts Gallery – Artists' Village by 40,000, reaching a total of 100,000 visitors by 2017/18; this will include 20,000 more paid admissions, bringing a total of 50,000 paid admissions by 2017/18. This will also in turn further increase the amount being spent in the local area (currently over £50 per person).

22. When the house is restored and fully accessible, the Trust has projected that Limnerslease itself will receive a further 10,000 visitors including paid, learning users and casual visitors, by 2018/19, bringing it to a total of 110,000 visitors annually to Watts Gallery – Artists' Village.
23. Overall, it is expected that the opening of Limnerslease will offer extensive and exciting new opportunities to reach a further 6,000 participants in the learning programme over the course of a year.
24. Additionally, Watts Gallery Trust will be able to build on the excellent links it has already established with like minded organisations internationally. The space at Limnerslease will help the trust to position itself at the heart of this network, offering accommodation and residencies for international artists and those working in the arts sector. In doing so the Trust will be able to reach new audiences and nurture existing and new partnerships including through loans, group visits and lectures.
25. Further specific enhanced benefits are projected as follows:
- Mentoring for six other museums/heritage centres each year – including working with the Surrey Museum Partnership, hosting events and lectures also with Surrey East and West Sussex Service –ongoing from 2016
  - At least five annual apprenticeships in estate management, customer care, curatorial, marketing, art – ongoing from 2017
  - 50 more volunteers – secured by 2017
  - Support for 6 contemporary artists each year involved in a variety of media - pottery, textiles, painting, ceramics – ongoing from 2018
  - Five new jobs – established by 2018
26. The following further matters have also been agreed by the Trust:
- Recognition of Surrey County Council's support- the Council's name will be included on the boards in the loggia of Watts Gallery and in the lobby of the Watts Studios. Watts Gallery Trust will also give the Council prime billing on the summer programme of exhibitions and activities as 'supported by Surrey County Council'. This will be reflected in all publicity between June and November for the next two years.
  - Surrey Residents' Day-provision of two open days for Surrey Residents at an appropriate time. Watts Gallery - Artists' Village will also be open to paying customers during this time.
  - Governance- a representative of SCC will be invited to become a member of the Limnerslease Committee which will meet twice a year to review funding, estate, activities, plans and strategy and to ensure the appropriate stewardship of the SCC investment.
  - Annual event- SCC will be entitled to host an annual event at Limnerslease where the Council will have free use of the venue and will pay only direct event related costs.
  - Membership of Visit Surrey- Watts Gallery Trust will continue its membership

The full details of these arrangements are to be worked out with the Trust and will be included in the funding agreement. There will also be an expectation that the Trust will work with the County Council to support its vision for a new statue of Watts's sculpture "Physical Energy" to be cast and sited in Surrey, such support to include a role assisting with fund-raising.

27. The County Council sees great opportunities for partnership working in the future between the Watts Gallery and its Adult & Community Learning, Arts, Heritage and Library services. Opportunities to develop links with contemporary artists will support the creative industry sector of the local economy and help raise profile at the national levels - the proposals for the associated learning and education programmes will help with audience development and opportunities to work in a multiplicity of cross-cultural, cross-sectoral and community partnerships. There is also the possibility of working with the Council on countryside ventures given the adjacent positioning of the Pilgrims' Way to the Gallery.
28. The Limnerslease project at Watts Gallery ensures that Surrey residents and visitors can discover inspirational artworks that are a proud, but as yet underdeveloped, part of the county's rich artistic and cultural heritage.

### **A Boost for Surrey Tourism**

29. Heritage is a key driver of tourism. "Investing in Success", the Heritage Lottery Fund (HLF) Tourism Impact survey completed in 2010, found that heritage tourism makes a contribution to the total output of the UK economy – as measured by gross domestic product (GDP) – of £7.4billion per year. This was a bigger contribution than that of many other, more visible sectors of the economy, including advertising, film, and even the car industry. The research was updated in 2013 which found that this amount had risen to £9.59billion per year.
30. The 2010 research found that spending by visitors within local economies is much higher than their spending at the heritage destination itself. Of every £1 spent as part of a heritage visit, only 32p is spent on site. The remaining 68p is spent away from the attraction itself, but as a direct result of visiting heritage, in restaurants, cafés, hotels and shops, for example.
31. Overall, the total amount of money spent within the local economy, by all visitors to the funded heritage attractions in the research, was found to more than double following the completion of an HLF funded project.
32. Heritage is also a significant reason for tourism to the UK from international visitors. Visit Britain refers on its website to the Anholt GfK Nations Brand Index, produced annually by collating the views of 20,000 people around the world. In the 2014 Index the UK is ranked 3<sup>rd</sup> out of 50 nations in terms of a "Tourism" brand, and 5<sup>th</sup> for "Culture". Within the "Culture" element, the UK's "cultural heritage" is ranked 7<sup>th</sup> out of 50.
33. The Watts Gallery Trust's tourism strategy is to create a distinctive and credible brand that challenges perceptions, stands out from the rest and represents the quality of the tourism product.
34. Public interest and recognition of G.F. and Mary Watts as hitherto under-appreciated nationally important artists has changed dramatically in recent

years – and this, along with the concept of the proposal uniquely embodying his ‘simple and rural’ philosophy will ensure that Limnerslease will be a highly sustainable asset and artistic / cultural heritage visitor attraction and landmark site for Surrey that will celebrate a strong sense of place for the county.

35. Compton is a crucible of the Arts & Crafts movement, the only campus of listed arts & crafts buildings of this sort in the UK, and also the sole remaining artist house and studio from the 19th Century with its collection still intact. The restoration of Watts Gallery and Limnerslease has revived a sleeping giant, and a centre which was, in the 19th Century, a place of national interest. Watts Gallery has now returned to being a national gallery in the heart of a village.

#### **CONSULTATION:**

36. The Leader and Deputy Leader visited the Artists’ Village in June 2015 and had discussions with the Trust Director Perdita Hunt. The Chief Executive also met with the Trust Director and Treasurer in August 2015. Further meetings and discussions have taken place between the Trust staff, Trustees, and the Council’s Head of Cultural Services and Director of Legal and Democratic Services.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

37. As the funding is being secured by means of a first charge on the property, the Council is ultimately able to recoup the money from the Trust in the event that the property were to be sold. Also, it is intended that the funding will be conditional upon the current uses of the property being continued, in accordance with the Trust’s objects. If these were to change in the future, so as not to be for the continued benefit of the public, there will be provision in the agreement with the Trust to enable the Council to insist on the repayment of the funding including any interest arising from the time such changes occur.
38. There is always a possibility that the value of the property might fall below the amount invested by the Council, but this is highly unlikely given the profile of property prices in the area over recent years.
39. Any risks arising from any future failure of the Trust in any way are covered by the charge on the property. However, the risk of failure is low – the Trust accounts indicate that the charity has total funds of £35.6m (including its assets), receives support from a number of patrons and benefactors and generated income of £2.5m in the year ending 31 March 2014 from investments, admission fees and donations.

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:**

40. It is not intended to charge any interest on the amount being provided to the Trust, unless at any point the objects of the Trust or uses of the property are changed so as to be other than for the benefit of the public. Interest on the sum would then become payable by the Trust.
41. As regards value for money, the benefits for the residents of Surrey as a result of this investment are set out throughout the report, and the Council will retain a £1m interest in the property as a result of securing a legal charge on

it. Costs of providing legal support to the Council to enable the necessary due diligence and complete the agreement and charge will be approximately £5,000.

#### **SECTION 151 OFFICER COMMENTARY:**

42. The provision of capital funding of £1m to the Watts Gallery will be an addition to the agreed capital programme of the Council and, as such, will cost an additional £62,000 per annum in revenue funding costs. The nature of the legal charge does not, however, constitute an asset that the Council can carry on its balance sheet and therefore the capital expenditure will effectively be “written-off” in the financial accounts. The legal charge, however, does provide reassurance that the funds are to be used only for the agreed purpose.
43. There are no particular risks in providing the funds to the Trust as it is financially viable with support received from a number of patrons and benefactors with gross income of £2.5m per annum. The Trust has total funds of £35.6m, of which £1.3m is in unrestricted funds, £7.7m in restricted funds and £26.6m endowment funds, which includes the value of its artworks and buildings.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER:**

44. Section 14 of the Public Libraries and Museums Act 1964 provides a power for the Council to make contributions towards expense incurred by any person—
- (a) in providing or maintaining a museum or art gallery in any place within England or Wales, or
- (b) in providing advisory or other services or financial assistance for the benefit of a museum or art gallery in any such place.
45. In addition, s111 of the Local Government Act 1972 enables the Council to do anything that is conducive or incidental to the discharge of any of its functions, and s1 of the Localism Act 2011 provides a general power of competence for the Council to do anything which individuals generally may do.
46. Provision of funding by the Council to assist the Watts Gallery in the way intended by this report is therefore permitted by law, provided of course that the Council operates within the usual boundaries of public law.
47. The funding arrangements will be formalised by a legal agreement between the Trust and the Council in accordance with the terms set out in this report and will be finalised by the Director of Legal and Democratic Services, acting on behalf of the Council, after consultation with the Chief Executive and the Leader. The Council will also be securing the funding by means of a legal charge on Limnerslease which will include provision for early repayment in the event that the objects or uses of Limnerslease are changed to be other than for the benefit of the public.

48. The Council will also need to take account of the state aid requirements in finalising its agreement with the Trust.

**EQUALITIES AND DIVERSITY:**

49. The public sector equality duty (section 149 of the Equality Act 2010) applies to the decision to be made by the Leader in relation to this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups and eliminate any unlawful discrimination.
50. It is clear that the impacts arising for protected groups as a result of this investment are positive, given that this funding will ensure ongoing provision and development of these facilities.
51. Specifically, the positive impacts for protected groups will include the increased provision of learning and skills opportunities for people of all ages including for children and young people, those with mental health difficulties which may include disabled people and those with learning disabilities and vulnerable women, particularly victims of domestic violence, lone parents and women prisoners.
52. Access for disabled people was built into the brief for the Watts Studios at Limnerslease, from the start. With the opening of the house, visitors will reap the benefits of the same facilities which will be available fully when the Studios open to the public in 2016. These include:
- A lift for disabled people, between floors.
  - A hearing loop at the reception desk.
  - A path through the woods which will be accessible for those with mobility difficulties.
  - At least two car parking spaces for disabled people near the front entrance.
  - Volunteers trained in disability awareness.
  - The development of sensory and audio trails through the woodland and through the museum spaces.

**OTHER IMPLICATIONS:**

The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	The work done with the Youth Support Service and with schools may include looked after children.
Safeguarding responsibilities for vulnerable children and adults	The Trust will continue to be able to provide opportunities for young people at risk of offending, those assisted by the Youth Support Services and families included in the Family Support programme. It will

	also provide opportunities for some groups of vulnerable adults to participate in activities run by the Gallery.
Public Health	The activities available at the Artists' Village will particularly promote and enable emotional health and well-being for both attendees and for volunteers. There are possibilities of working with the Council to promote walking on the Pilgrims' Way which runs alongside the Village.
Climate change	No significant implications arising from this report
Carbon emissions	Whilst the increased numbers of visitors may result in additional car journeys to the area, the Trust is working with the Compton Parish Council and Village Association to further develop the use of the community bus service "Compo" to increase the availability of public transport to the venue.

#### **WHAT HAPPENS NEXT:**

53. The Director of Legal and Democratic Services will finalise the terms of the agreement in consultation with the Chief Executive and Leader which will then be formally completed and the charge registered.
54. The funding will then be provided to the Trust in time for the loans given to the Trust to be repaid.

#### **Contact Officer:**

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#### **Consulted:**

Deputy Leader  
Chief Executive  
Director of Legal and Democratic Services  
Director of Finance  
Head of Cultural Services

#### **Sources/background papers:**

- Watts Gallery- The Annual Report 2013/14
- The Big Issues- Watts Gallery Trust- Art for All Exhibition Brochure 2015
- Watts Studios Update Summer 2015
- Limnerslease project document
- "Investing in Success"- the HLF Tourism Impact Survey 2010
- "The Economic Impact of the UK Heritage Tourism 2013" – Oxford Economics