

RGI
STRATEGIC
PLAN
2016-2021

RGI

As a member of the RGI you will be asked to endorse this Strategic Plan at the AGM on 4 May 2016. Feedback and comments are welcome, and changes may be agreed at the AGM as a result.

If you are unable to attend the AGM you may:

- *Comment by writing to the RGI Council c/o the RGI Kelly Gallery or by email: gallery@royalglasgowinstitute.org*
- *Vote by appointing a Proxy as outlined in the papers included with the call for the AGM.*

The RGI Council would like to thank you for helping us to take our historic Institute forward into the 21st Century.

RGI

INTRODUCTION

The Royal Glasgow Institute of the Fine Arts is an independent organisation promoting and encouraging Scotland's contemporary art and artists. As its name suggests, the RGI, a registered charity, has a proud association with the creativity of Scotland's largest conurbation. It is also the third largest organisation of its kind in the UK.

The RGI was founded in 1861 and received its Royal Charter in 1896. It is a charity registered in Scotland, regulated by the Office of the Scottish Charities Regulator (OSCR). It aims to promote interest in art generally, especially contemporary art and to aid the study of development of art in all its forms and applications. Since 1861 the RGI has hosted one of the largest open exhibitions in the UK and until recently, it was among the largest open art exhibitions in the UK, in fact second only to the Royal Academy in London.

The Articles of Association of the RGI define the organisation's goals. In synopsis these are;

- The promotion of art and artists,
- To further the diffusion of artistic and aesthetic knowledge,
- To aid the study, advancement and development of art in its various applications and forms,
- To encourage contemporary art.

These aspirations underpin the RGI's every endeavour.

Those responsible for the good governance of the RGI have an obligation to interrogate every aspect of its structure and aims to ensure that the Institute remains continuously relevant to the needs of today's artists. The Institute needs to evolve to attract new members, exhibit new work and generally support and promote excellence in contemporary Scottish Art.

This document considers the current structure of the RGI endeavours to review/summarise the full scope of the RGI's activities and set realistic targets for the next 5 years.

This period will be crucial to the reputation and efficacy of the RGI as one of the most significant cultural and creative organisations in Scotland.

1. CONSTITUTION/CORPORATE REVIEW

The RGI is a charitable company and the Constitution is in the form of the company's Articles of Association. The RGI has an obligation to review both the constitution and the corporate structure of the organisation to consider whether it is 'fit for purpose' as it enters a crucial chapter in its history.

Corporate Review

The RGI has a number of options with regard to its corporate structure:

OPTIONS

1. No Change – remain as Charitable Company
 - a. Current Articles of Association are cumbersome and restrictive.
 - b. Directors/Trustees have specific obligations and potential liabilities under the Companies Act and the Charities Act.
 - c. Annual return required by 2 regulators.
 - d. High governance costs.

2. Update Articles of Association and remain as Charitable Company
 - a. Articles of Association can be redrafted to be less restrictive and take RGI forward.
 - b. Directors/Trustees retain their obligations under the Companies and Charities Acts.
 - c. Annual return required by 2 regulators.
 - d. Potential reduction in governance costs.

3. Apply to OSCR to convert from Charitable Company to a Scottish Charitable Incorporated Organisation (SCIO)
 - a. Opportunity to develop a new constitution.
 - b. Directors/Trustees must only be familiar with the Charities Act.
 - c. Annual return to a single regulator.
 - d. Potential significant reduction in governance costs.
 - e. Change will incur some cost for member administration and supplier notification.

- f. Legal costs may be incurred around transfer of assets.
- g. There is a risk of losing some members as they will need to act to remain members.

The pros and cons of each legal form (legal personality) are described in Appendix 1.

2. GOVERNANCE

The Articles of Association of the RGI confirm the following general structure;

“The structure of the Institute consists of,

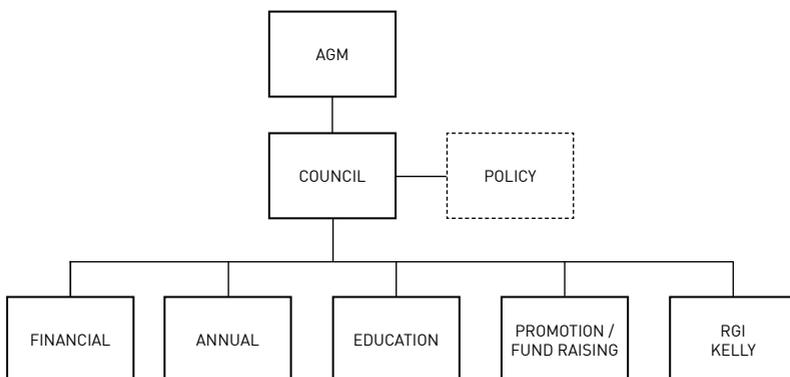
- a) The MEMBERS – who have the right to attend the annual general meeting (and any general meeting) and have important powers under the articles of association and the Act, in particular, the members elect people to serve as Directors and take decisions in relation to changes in the articles themselves.
- b) The DIRECTORS – who hold regular meetings during the period between annual general meetings and generally control and supervise the activities of the institute; in particular, the Directors are responsible for monitoring the financial position of the Institute.”

Role of Council

It is proposed to re-establish a simple but robust committee structure to underpin the Institute’s governance. Each committee will have agreed and clearly defined separate remits. This structure will be reinforced by ensuring the necessary breadth of representation on each committee. Overarching Terms of Reference will be put in place to ensure that committees are of sufficient size to be representative but contained in number to ensure effectiveness, meetings are to be tightly timetabled to respect the valuable contribution of members time, the meetings are quorate and the committee membership is ‘refreshed’ on agreed cycles.

While the necessity for Terms of Reference is understood it is also important to maintain a degree of responsiveness and adaptability, acknowledging that the overly rigid application of rules in aspects of the Institute’s activities would be counterproductive.

governance / committee structure



Make-up of Council

The Constitution requires that Council is made up of 7 artist members, 9 lay members and 2 elected members of Glasgow City Council. In recent years, although elected members have been listed as members of the RGI Council their involvement has been limited. It is proposed to consider this during the review to ensure that the Council is made up of people who have the skills to take our Institute forward. Contact has been initiated with Glasgow Life to look at how best to work together in future.

3. COMMERCIAL

The RGI Kelly Gallery's role in delivery charitable purpose:

Historically, RGI success was built on bringing in diverse art which might not be hung elsewhere. Recently the Kelly Gallery has been to run to generate revenue to curb the financial deficit which the RGI is running. Exhibitors who hire the gallery are frequently self-selected and pricing was adjusted to contribute to running costs even when there were no sales during an exhibition. This is neither effective as a financial model nor does it reflect the RGI's goals.

A detailed consideration of the role, value and potential future of 'The Kelly' is attached as Appendix 2.

4. FINANCIAL

Members of Council, the Directors, are responsible for accounting policies and for exercising prudence in their decision making. They are also responsible for safeguarding the assets of the Institute and for keeping proper accounting records. That responsibility flows down to the administration and any consultants appointed to assist in financial matters.

The Institutes income mainly comes from the sale of artwork (on an agreed percentage basis), membership fees and ticket sales (where appropriate).

The Institute has gone through a difficult period in the last few years but aims to put in place policies to engage with the membership and provide improved services, review of RGI awards to ensure they maximise delivery to members, proactively promote engagement with other artistic bodies, local and national government and funding bodies and to reorganise and improve all business activities.

The staff structure will be reviewed and suitably experienced and qualified staff recruited within agreed budgets.

The goal is to take the Institute into profit, to enable quality services to provide for the membership and to ensure the return of an annual contribution to free reserves.

5. MEMBERSHIP/MEMBERSHIP SERVICES

The RGI intends to undertake a review of the membership structure and basis for fees. Every aspect of the Institute activity is designed to serve its members. Ensuring that members have a sense of belonging to a supportive 'family' will be crucial to the RGI's future.

Accurate and up to date contact information will underpin the Institute's communications with its membership. A preliminary review of the current database and the handling of data within the RGI has highlighted number of errors, inconsistencies and failings. Work to correct these problems is ongoing and a Data Protection Policy has been introduced and implemented.

A priority for 2016 will be ensuring that all the Institutes membership data is accurate and up to date. A robust and reliable system for

reviewing and updating membership records will be devised for implementation from 2016 onwards.

Elected RGI's

It is proposed that consideration is given as to what constitutes the basis for holding and maintaining the post nominal of RGI. Consideration will be given to the possible creation of an 'RGI Fellow' status and to make a connection between the next generation of artists and the Institute and whether it is appropriate to promote younger RGI's who already have credibility with a younger audience.

All aspects of the current structure will be examined and in particular whether a broadening of the current membership might be beneficial.

Newsletter

The RGI's printed/emailed newsletter is vital to maintain regular communications with members and reinforce the crucial sense of 'family' which is key to the strength of any membership organisation. It is proposed that the newsletter will be published quarterly commencing Autumn 2016.

Website

The RGI must ensure that its website is current, topical and reflects a well organised and dynamic body which is pursuing its aims actively, with vigour and achieving success for all its members.

The current RGI website was built some years ago and is currently being upgraded to meet future needs. Starting in February 2016, we began work on a short-term solution to upgrade the site, migrating existing information to a new fully responsive site. The new site was launched on April the 4th 2016.

The new site offers the following:

- Responsive Design, fully mobile and tablet compliant.
- Redesigned RGI Current Members/Former Members pages, with links to personal websites, artist's profiles, images of work.

It is the intention to:

- Consult our Membership to identify needs and preferred functions of the website as a key part of the RGI communication and marketing plan.
- Research how similar organisations present themselves online, what lessons can be learned, and where inspiration can be drawn from.
- Research online retail opportunities within the new site.

Social Media

Our social media platforms, Facebook & Twitter are now benefiting from the experience of two further Council members, experienced in social media strategy, which will see a longer term strategy being developed for 2016 and beyond.

Further opportunities will continue to be explored for more engagement within social media as well as development of profiles on other platforms such as Instagram and Periscope.

In both areas, we believe we have entered an exciting new phase for our online activities and look forward to member feedback as this moves in a positive direction.

6. OUTREACH/MEDIA/PR

Public relations and media management should be facilitated in-house. It is critical that the RGI is regarded by the media as a reliable source of comment and analysis on issues relating to the visual arts in Scotland. Enhanced media profile will demonstrate our effectiveness in promoting the work of our members. Our media strategy should combine reactive comment, eg. responding promptly to incoming media enquiries, with proactive initiatives, eg. issuing press releases on RGI activities and on RGI response/analysis of relevant topical issues. The clear priority when communicating with the media is to represent the best interests of members.

Productive media communications is dependent on building strong relationships with key journalists and broadcasters and in maintaining and developing an accurate database of contacts.

The Institute's marketing and public relations strategy must evolve beyond the traditional 'above the line'/'below the line' model. Looking forward we will increasingly build relationships with online information providers and explore the diverse communication opportunities of New Media.

7. RGI EDUCATION AND PUBLIC ENGAGEMENT PROGRAMME

The RGI Education and Public Engagement Programme aims to provide opportunities for people of all ages and abilities to explore their enjoyment and understanding of art. It seeks to offer quality, meaningful and long term engagement to the citizens of Glasgow, the West of Scotland and beyond. The RGI Council is committed to the review and further evolution of the Programme which at present includes:

- Primary and Secondary School Projects : engaging with the Annual Open Exhibition and Kelly Exhibition Programme.
- Glasgow School of Art Young Graduate Prize : professional and financial support plus an exhibition in the Kelly Gallery.
- Lecture Series: Presentations on Artists and Art Movements followed by discussion.
- Artists Development Seminars : Practical advice for people of all ages wishing to become professional artists.
- Elected RGI's Workshops delivered in the Kelly Gallery : encouraging artistic expression for all.
- Elected RGI Exhibitions outwith the Glasgow area : raising the profile of the Institute and supporting engagement for those who may not easily access Glasgow city.

Our aim is to enrich the culture of the Institute and the lives of those with whom we engage: artists, members, visitors, participants, employees.

8. RGI ANNUAL SHOW

The annual exhibition is a demonstration of Glasgow and Scotland's enduring status as a fertile place for the production of contemporary visual art and contributes to the continuing development of our cultural identity. It is the key endeavour of the Institute. The strength of this exhibition is indicative of the standing and relevance of the RGI. It delivers, not only commercially, but crucially in terms of identity. It is a major event in Glasgow's cultural calendar. The failure to deliver the exhibition over two successive years might be explained away as 'a period of review and reorganisation', however, the show must go on in 2016!

To that end the 2016 Annual Show will take place in the Mitchell Library running from Saturday 12th until Sunday 27th November inclusive..... Further details to follow.

APPENDIX 1: PROS AND CONS OF EACH LEGAL FORM

	Charitable Company	Implications for Directors/Trustees	SCIO	Implications for Directors/Trustees
Legal Status	Legal personality/ corporate body	Undertakes transactions in its own right and owns land and buildings in the name of the company. Liability of directors is limited and liability of members is limited to £1	Legal personality/ corporate body	Undertakes transactions in its own right and owns land and building in the name of the SCIO. Liability of trustees is limited and members are not liable if it is wound up.
Regulator	Dual regulator OSCR and Companies House Annual Return submitted twice.	Companies House may prosecute directors and officers who would be personally liable for late submission of Annual Return.	Single regulator OSCR Annual Return submitted once.	Annual Return must be submitted on time or the Charity's entry on the OSCR website turns red and trustees receive reminder letter(s).
Legislation	Companies Act 2006 Charities and Trustee Investment (Scotland) Act 2005	Directors/trustees require working knowledge of both Acts. Guidance available for companies at www.gov.uk but this can be quite technical requiring professional advice.	Charities and Trustee Investment (Scotland) Act 2005	Trustees require working knowledge of the Charities and Investment (Scotland) Act 2005. OSCR website offers extensive guidance written in plain English. Telephone queries are accepted.
Constitution	Articles of Association (AofA) and Memorandum of Association	Current AofA, although adopted in May 2015 is not written in plain English, is too restrictive, out dated and contains clauses which do not reflect charity law. Despite being accepted by OSCR; charity trustees are bound to ensure that the governing document is fit for purpose. Company Directors also have wide ranging requirements set out by company law. The AofA could be re-written to better reflect charity as well as company law, remove outdated clauses and unnecessary restrictions.	SCIO Constitution	A SCIO constitution is less bound to legal terminology although many parts are similar to a Charitable Company Limited by Guarantee's AofA and it must contain a number of elements in relation to governance. The process of becoming a SCIO would include writing and adopting a new governing document reflecting the legislation and adapting to the challenges of the future with fewer restrictions and unlimited powers in furtherance of the charitable purposes.

	Charitable Company	Implications for Directors/Trustees	SCIO	Implications for Directors/ Trustees
Accounts	Companies must compile fully Accrued Accounts - RGI Turnover <£6.5m Balance Sheet Total <£3.26 and <50 employees so qualifies as Small Company and eligible to submit abbreviated accounts.	Generally requires a qualified Accountant to prepare. Robb Ferguson prepares the RGI Accounts. Secretary & accountancy fee budget for 2015 £7800	SCIOs with Income <£250,000 may submit Receipts & Payments Accounts to OSCR.	Unless required to prepare accrued accounts/be audited by the governing doc. Can be prepared by a competent book keeper using templates provided on OSCR website. Potential to reduce governance costs significantly.
Audit	As a Small Company RGI may qualify for Audit Exemption	Currently the RGI requires a qualified Auditor- Wylie & Bisset LLP audit fee £2000 RGI could look into Audit Exemption (OSCR Annual Return would still require IE)	Single regulator OSCR Annual Return submitted once.	Annual Return must be submitted on time or the Charity's entry on the OSCR website turns red and trustees receive reminder letter(s).
Membership	Requires only 1 member	Members do not have any duty of directors. Must keep registers of members and directors	Requires 2 members (who may be trustees) and 3 trustees	Members must act in the interests of the SCIO and ensure the SCIO acts in a way consistent with charitable purposes. Must keep register of members and trustees.
Membership Admin	Current RGI membership	No change to current practice required. Members could be invited to pay by direct debit.	Current RGI membership does not automatically transfer to new SCIO	Members must agree to conversion at a members meeting (AGM/SGM). Then members would have to be contacted and invited to complete membership form for the new SCIO. This gives an opportunity to change collection of membership fees to direct debits.

	Charitable Company	Implications for Directors/Trustees	SCIO	Implications for Directors/ Trustees
Credibility of Organisation	Charitable Company is a long established legal personality.	Well understood by professionals and funders.	Relatively new legal personality.	No long term case studies. Some caution by professionals and funders although this is changing.
Charitable Status	Company can exist without charitable status.	If charitable company ceases to be a charity it can continue to operate.	Existence is dependent on charitable status.	If a SCIO loses its charitable status it ceases to exist. This could put the Royal title conferred by Queen Victoria in 1896 at risk as a new organisation would have to be formed if RGI wished to continue; and this may, or may not get permission to use the 'Royal' title.
Registered Scottish Charity Number	Charitable Company Limited by Guarantee Registered in Scotland No.	This company registration No. SC000912 would cease to exist if the RGI became a SCIO.	If the RGI was converted to a SCIO it would retain its current Scottish charity registration no.	RGI Scottish Charity No. would remain SC014650 and OSCR would change its legal form on the register.
Cost of Converting to SCIO	The RGI charitable company limited by guarantee would cease to exist.	OSCR would administer removal from the register at Companies House. No cost implication.	Conversion to SCIO is handled by OSCR after they agree the application.	No fee charged by OSCR. There may be legal costs prior to submitting the application to OSCR around transfer of property e.g. ensuring title deeds or endowment conditions permit the change. Banks and service providers would have to be informed of any change in legal form as some may require new contracts.

APPENDIX 2: FUTURE OF 'THE KELLY'

Current charges to RGI Kelly Gallery Exhibitors

- *Independent Exhibitor: £275 + VAT gallery hire per week plus 25% + VAT commission on all sales.*
- *Items sold on behalf of artists not exhibiting: 35%+ VAT on all sales.*
- *Artists invited to exhibit: 35% + VAT on all sales.*
- *Charges for Workshops and Talks: Priced to cover costs, excluding RGI Kelly Gallery direct costs.*

How does this advance art and promote public appreciation of art?

- *There is no selection policy/criteria applied to artists seeking to exhibit independently.*
- *There is no selection policy/criteria for artists invited to exhibit.*
- *There are few spaces available to artists seeking to exhibit independently although this is changing.*
- *The gallery is open, free of charge, to the public and the works of art can be viewed and are for sale.*
- *Private Views are not advertised to the general public, targeting members and buyers.*
- *Talks and workshops are advertised a little more widely but few have been organised recently.*
- *Exhibition adverts are placed predominantly in art publications.*
- *For a member of the public there may not be an appreciable difference from viewing art in a wholly commercial gallery.*

It is acceptable for charities to generate revenue to support their charitable activities. It may come down to proportionality. OSCR will be looking for an appropriate proportion of the charity's activities to focus on delivering its charitable purpose

Does this provide benefit to members as well as, or more than, to the public?

- *If members get more benefit from the RGI Kelly Gallery than the general public it is delivering more 'private benefit' than public benefit and may not be charitable.*

If members are also beneficiaries of the charity then the private benefit may not apply.

Again OSCR will look at proportionality.

Is this primary purpose trading? *(This includes trading mainly carried out by beneficiaries of the charity e.g. disabled people in supported employment trading -profits are exempt from tax.)*

- *Selling artwork during the Annual Open Exhibition is in pursuit of the RGI charitable objects is primary purpose trading.*
- *Selling books, copies of paintings relating to an Exhibition is connected to delivering the charity's primary purpose so is considered primary purpose trading.*
- *Also charging for entry to exhibitions, talks and workshops is acceptable but cost should not be prohibitive, or if it is, there should be lower cost places available.*
- *The selection of the art exhibited may separate the Kelly trading from a commercial gallery.*

Are RGI assets protected from trading losses of the RGI Kelly Gallery?

There are restrictions on engaging in trades where the objective is to generate funds for the charity.

- *Charities may not engage in commercially oriented trades where there is a significant risk to their assets.*
- *Trading which risks the charity's assets must be undertaken by a trading subsidiary.*
- *The significant risk to be avoided is that turnover is insufficient to meet costs of carrying on the trade, and the difference has to be financed out of the assets of the charity.*

Discussion Points

As well as exhibiting and selling art:

- *Decide on criteria for selecting invited artists.*
- *Allocate dates for self- selected hire of the gallery - smaller proportion of the time.*
- *Develop ways of attracting a wider audience – young artists, schools, general public etc.*
- *Run regular lectures/workshops and other events specifically aimed at growing public appreciation/engagement with art.*
- *Run training courses for artists e.g. business studies for artists, effective self-promotion, media training, inter- generational learning etc.*
- *Consider whether artists should be included as beneficiaries in the constitution and how this would affect the gallery.*

Points to Consider in the Business Plan:

The RGI must pass the charity test and provide public benefit by delivering its charitable purpose if it wishes to retain its charitable status.

To pass the charity test and to qualify for charitable tax relief, the constitution must allow RGI property to be used only for purposes which are charitable both in Scots law and in UK tax law.

Summary:

The RGI Kelly Gallery is a fantastic asset for the RGI. It is beneficial for the organisation to have a 'base' for its activities. A review of the role of the RGI Kelly Gallery and redefining its use as an HQ – would greatly benefit RGI. It is likely that OSCR will take the view that the RGI Kelly Gallery contributes to the delivery of the RGI's objects by holding exhibitions and providing exhibition space for artists who might otherwise not be hung as well as providing space for lectures and workshops. However, the necessity to generate revenue by trading cannot be allowed to detract from this and the private benefit to members may not outweigh public benefit.

Recommendation:

Agree a business plan which takes account of the points below and will attract funding into the RGI to cover the deficit.

It is the aim by redefining the role of the RGI Kelly Gallery to be able to fund a 'jumping off/on point' for younger artists to move fully into the commercial gallery system. The RGI Kelly Gallery is one of only two galleries in the West of Scotland that offers starter exhibition space and experience to recent graduates.

Combined with the envisaged education programmes artistic development seminars where artists are advised how to approach commercial galleries, the RGI can offer a service which is unique.

In a way the RGI is already doing this via the graduate exhibitions, but these are currently very poor revenue earners, possibly because the RGI is not reaching the correct audience and the graduates are unprepared for the commercial art world.

However, for the Institute's survival, it is essential that the RGI encourages the next generation of artists.

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THE ROYAL GLASGOW INSTITUTE OF THE FINE ARTS

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