



Contains Confidential or Exempt Information	Yes - Part Information contained in Appendix 8 is exempt by virtue of Schedule 12 of the Local Government Act 1972
Title	CEX610 Establishment of a unified governance structure for the Gunnersbury Park estate
Member Reporting	Councillor Samia Chaudhary – Cabinet Member for Leisure Services
Contact Details	Victoria Lawson – 020 8583 4463 Susan Hayter - 07976682558 David Stockdale – 020 8583 3823
For Consideration By	Cabinet
Date to be Considered	11 January 2022
Implementation Date if Not Called In	20 January 2022
Affected Wards	Isleworth and Brentford
Keywords/Index	Gunnersbury Park, Museum and Gallery, Governance, CIC, Development Trust, Lease, Ealing, Articles, Management and Funding Agreement,

1. Details of Recommendations

Cabinet is requested to :

1. Note and approve the proposed new governance structure for the future management and operation of Gunnersbury Museum and Park.
2. Approve the proposed new Articles of the Gunnersbury Museum and Park Development Trust and the Gunnersbury Estate (2026) CIC, which will allow them to function in a unified way as a parent charity and a wholly owned trading subsidiary (Appendices 1 and 2).
3. Note the process to appoint the initial Board set out in this report and in Appendix 3 (Nominations Committee Terms of Reference).
4. Agree to appoint in due course a Local Authority member (one appointed from Hounslow and one from Ealing) to the new Board of the parent Charity (i.e. the Gunnersbury Museum and Park Development Trust) to be constituted under Recommendation 2.
5. Note and approve the Interim Strategic Plan (Appendix 4) which has been developed by the Gunnersbury Museum and Park Development Trust and the Gunnersbury Estate (2026) CIC, detailing the current key objectives,

operating principles, financial forecasts, and short, medium and longer term strategic priorities over a 10-year period to 2032.

6. Agree the transfer of the extant lease from the Gunnersbury Estate (2026) CIC to the Gunnersbury Museum and Park Development Trust for a term of 25 years commencing from the adoption date of the new governance arrangements, and with an ability for the term to be extended by agreement if required to improve the ability to raise capital funding.
7. Agree that the current 25-year Funding and Management Agreement with the Gunnersbury Estate (2026) CIC will continue.
8. Note that an existing loan agreement between Ealing Council and the Gunnersbury Estate (2026) CIC will continue.
9. Delegate the Executive Director of Environment, Culture and Customer Services to work with Ealing Council to establish a monitoring mechanism for Hounslow and Ealing Councils to meet regularly with the parent charity (the Trust) and trading subsidiary (the CIC) to review progress, take remedial action if needed, and explore forthcoming opportunities.
10. Delegate the Executive Director of Environment, Culture and Customer Services to work with Assistant Director of Governance under the scrutiny of Councillor Chaudhary to complete any necessary legal and governance documentation.

If the recommendations are adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit, link to Values	Dates by which they can expect to notice a difference
Streamline governance and address identified weaknesses	
Involve residents in decisions	
Increase fundraising potential	

2. Report Summary

This report seeks approval to establish a unified governance structure for the management and future development of the Gunnersbury Park estate, including the park, buildings, and related services including the museum service for the London Boroughs of Ealing and Hounslow.

The new structure would consist of a parent charity and a trading subsidiary, and the vehicle for achieving this would be a merger of two existing bodies which are currently separate entities: the Gunnersbury Museum and Park Development Trust (to become the parent charity) and the Gunnersbury Estate (2026) CIC (to become the trading subsidiary). The changes proposed will therefore adapt and improve

existing arrangements, building on what has been working well, rather than starting afresh.

Ealing and Hounslow Councils are currently the sole company members of the Gunnersbury Estate (2026) CIC, and both councils would therefore need to pass a resolution to transfer company membership from the councils to the parent charity.

It should be noted that under the new arrangements the CIC would no longer be a local authority controlled company. However, the two councils would have formal representation on the parent charity Board, and other safeguards would be in place, as detailed in this report, to ensure that the local authorities can continue to exercise their stewardship function for this important public asset.

It is felt that this is a timely point to revisit and rationalise the governance structure in the context of the additional challenges produced by the pandemic, and the current revision of the Gunnersbury Estate Masterplan (referenced in Section 3 of the Report).

The new structure is regarded as necessary in order to address short term challenges and improve long term sustainability for the Gunnersbury estate. In particular it is designed to remove impediments to fundraising and so help to address the forthcoming significant capital restoration and infrastructure challenges, and at the same time increase prospects for year-on-year financial viability.

It also aims to establish better integrated strategic planning and operations, and deliver improved services, thereby providing increased value for money for the local authority fee. And finally it is intended to achieve greater public transparency and community engagement, both of which are regarded as fundamental to future success.

3. Reason for Decision and Options Considered

3.1 Objectives for the Park

The Gunnersbury 2026 Masterplan was drawn up in 2012 by the two councils and Historic England, and sets out a vision as follows: ‘A sustainable high quality park with varied uses, which serve the local community and region whilst respecting, enhancing and interpreting its historic framework and fabric.’ In 2021 Historic England commissioned work to review and refresh the Masterplan.

The Gunnersbury Museum and Park Development Trust and the Gunnersbury Estate (2026) CIC have together drawn up an Interim Strategic Plan (appendix 4) which sets out the following ambition:

***“Where we want to be
We want to make Gunnersbury not just good but also outstanding.”***

“First and foremost this means that Gunnersbury must be welcoming and safe, with excellent facilities which are always maintained to the highest standards.

But more than this, we want to excite and delight. We want Gunnersbury to offer a rich variety of experiences and services that attract the widest possible range of visitors and add value to their lives.

Gunnersbury is exceptionally fortunate in both heritage and landscape. We want to restore and open up our buildings and gardens and parkland, and provide a rich mix of cultural and museum and learning services. We want to encourage discovery, with opportunities for people to explore and learn about the past that has shaped our present times, and understand and appreciate the natural world we inhabit.

Furthermore, we want Gunnersbury to be known as a resource for health and well-being, with areas of natural and informal beauty, quiet spaces, family activity, sport and exercise, recreation and play.

Above all we want Gunnersbury to be alive all the year round with people, from all backgrounds and cultures, income levels and walks of life. And beyond the park we want our offsite work and digital platforms to reach out and engage people from every part of Ealing and Hounslow, and beyond.

We want to make it possible for residents from across the two boroughs not just to enjoy Gunnersbury, but also to contribute actively to its success. So that they feel, as a result, that this is our Gunnersbury.

And last but not least, we want to safeguard the future of Gunnersbury. This means fulfilling our long term stewardship role, safeguarding the future of the estate, contributing to efforts to tackle climate change, and operating as a successful social enterprise, placing Gunnersbury on a sound financial footing.”

However, to realise this ambition will require changes to the current governance structure, for the reasons set out in 3.3 below.

3.2 The challenges and opportunities ahead

A great deal has been achieved in recent years. Not least a total of £38m has been raised for the park and estate, safeguarding historic buildings, restoring heritage gardens, providing new facilities for the museum, and a major new sports centre, and reversing what has been often described as decades of ‘managed decline’. The two local authorities have played the leadership role in this.

However, looking forward, considerable challenges remain.

The major outstanding works (which will require further capital funding in the order of £30-35m to address) include:

- Restoration of the Small Mansion and Stables (weather-proofing works are underway, but this is only the start of what is needed).
- Restoration of other historic features including the Potomac Lake and the Japanese Gardens.
- Tackling the derelict model farm site.

- Completing the restoration of the Grotto and finding a purpose for the Bath-house.

Furthermore, there is urgent work to be done to enhance the quality of the visitor experience, not least improvements to paths and signage, improving access from different sides of the park, and generally making the park more welcoming.

In addition, there are several problems which need to be addressed to improve management of the estate, not least tackling the inadequate drainage in several areas, and the lack of a suitable and secure on-site maintenance depot.

The financial challenges remain substantial, not just to raise the finance needed for major capital works, but also to generate the revenue income required to maintain day-to-day services and to bring about the improvements necessary to deliver the short, medium and long term objectives set out in the Interim Strategic Plan.

Alongside these challenges there are also some big opportunities, including (as set out in the Interim Strategic Plan):

- The local communities (residents, local businesses, voluntary associations) are a largely untapped resource, with huge potential. With imagination and flair it should be possible to considerably increase the level of volunteering and participation.
- While the Covid pandemic has been extremely challenging for Gunnersbury, limiting many activities, and increasing the financial challenges, it has also reinforced the realisation that Gunnersbury is of major importance in terms of health and well-being, for all sections of the community, and not least those experiencing social disadvantage. Looking ahead, it should be possible for Gunnersbury to establish itself as a significant health and well-being resource for West London, and attract partnerships and funding accordingly.

3.3 The need for improved governance to meet these challenges

The considered view is that the current governance arrangements are not well suited to meet these challenges, or to take advantage of the opportunities ahead.

3.3.1 Summary of current governance arrangements

- The two local authorities have retained the joint freehold of the park and its buildings, and continue to hold the museum collection in trusteeship.
- The Gunnersbury Estate (2026) CIC was set up in 2015 as a management vehicle for the park and the estate including the museum service for the two boroughs (although not at present the Sports Hub where the management is overseen by Ealing council). The two local authorities as sole members of the company have power of appointment and dismissal of the CIC Board members. The two local authorities also have express powers to determine the number of Board members and their term of appointment, and to pass a special resolution to direct the Board to take specific action, and to convert to a different form of company. Furthermore, both of the local authority directors must be present for a Board meeting to be quorate.

- The two local authorities have a Funding and Management agreement with the CIC for 25 years which was adopted in 2018. They have provided the CIC with a short (seven year) lease on the property and have recently agreed to extend this to 25 years (in line with Cabinet Report CEX 237 decision to agree a 25 year lease).
- The Gunnersbury Museum and Park Development Trust was set up in 2016 with the support of the councils to help to achieve the regeneration of the overall Gunnersbury Estate including (but not limited to) raising capital funds for this purpose. It is constituted as a charity, and is independent from the CIC.
- A Project Board oversees developmental activities. Its membership includes senior representatives from the two local authorities, the CIC and Trust, as well as other stakeholders (e.g. Historic England). It is currently chaired by a senior officer from Hounslow Council.
- The Friends of Gunnersbury Park and Museum has been in existence since 1981. It registered as a charity in 1983 and is a membership body. The Friends organisation is an active commentator on matters relating to the park and museum and proposed developments, including recently the Small Mansion and Stables Steering Group set up by the Project Board. It produces an occasional newsletter and is able to offer small grants.

2.3.2 Difficulties with the current governance arrangements

- The current structure is somewhat fragmented and does not support the formation of a consistent and unifying vision and culture and flow through to every level and every part of the system. The structural fragmentation has had a detrimental impact on planning (e.g there has been no single business plan for the whole estate), operational decision-making, relationships and behaviour.
- Significantly, the separation of functions between the CIC and Trust presents a barrier to ensuring both capital and revenue fundraising needed to sustain and grow the estate. On the one hand not all trusts and foundations will fund a CIC, and private donors can be deterred because donations to the CIC cannot attract Gift Aid.

On the other hand, while the Trust as a charity is a more attractive vehicle for grants and donations, some funders would not wish to provide grants to one organisation for work to be delivered by another, especially where there is no direct accountable relationship between the two. Moreover, as the Trust has no legal interest in the land it is severely impeded in long term capital fundraising efforts. These difficulties have led to rejections from some significant grants makers (e.g. Esmee Fairbairn Foundation) and in cases where funding has been made available some funders have signalled that further funding would depend on improvements to governance arrangements (e.g. Garfield Weston Foundation and Foyle Foundation).

- Some funders have made it clear that they expect to see a reduction in hands-on control by the local authorities, and a greater level of strategic and operational independence for the CIC. This is not to say that a continuing strong relationship with the local authorities is not seen as desirable – indeed it is felt by many to be a vital asset and a very necessary part of any future arrangements. But the

current position where the CIC is wholly owned by the local authorities (they are the sole members) and where the local authorities can for example remove and appoint Board members, remains a concern for some funders and stakeholders.

- Many funders require the applicant body to be the leaseholder in possession of the assets for which any funds are applied to.
- The Small Mansion and Stables were not included in the schedule of the Operational areas passed to CIC management partly because of the risk posed to the CIC by their dilapidated state. A feasibility study to investigate alternative community and cultural uses as part of an integrated overall approach to Gunnersbury Estate has taken place and it is hoped that eventually the two local authorities will be able to agree that these substantial properties can be integrated into the management agreement.
- The CIC model is not widely understood among the general public. Moreover, the CIC are not always seen to be operating in an open and transparent way. This makes it more difficult to resolve the inevitable tensions between different interest groups, and to address concerns over income-generating activities, and is moreover an impediment to improving community involvement and engagement.
- Difficulties in building community trust are compounded because there is currently little user involvement in formal aspects of the governance arrangements and so it is difficult to see how, for example, park and museum visitors, schools, local charities and businesses who use the park, as well as particular sections of the local population such as individuals and families from ethnic minority groups or those from low income sections of the community, can make their voices heard at the table when decisions that affect them are being made.
- There can be conflicts of interest. For example the local authority officials on the CIC Board can find themselves on both sides of a negotiation, for example when agreeing the terms of the lease, or the Funding and Management Agreement.

3.4 Proposed solution: a parent charity and trading subsidiary

A Gunnersbury Governance Reference Group (consisting of the senior representatives from the two local authorities, and the Trust and the CIC Chairs, and supported by the CIC CEO and an independent consultant) has reviewed options and has proposed the following as the desired governance outcome.

This way forward has been endorsed by full Board meetings of the Trust and the CIC.

In this outcome, the parent charity Board would exercise strategic and operational control, and have the ability to employ staff, raise funds (including major development finance), operate a commercially successful business model, and achieve long term sustainability for the park, historic buildings, museum, and (in future) the sports centre.

- It would function as an independent charity, but would have strong and enduring links with the two local authorities (with elected members on the parent charity Board), who would remain the landowners.
- It would operate in an open and transparent way, so that it would be properly accountable to the local communities and to other stakeholders.
- Service delivery to residents and users would be sustained.
- It would be seen as a credible vehicle by funders.
- In order to satisfy funder requirements the parent charity would hold the lease, which should be at least 25 years.
- It would be able to operate as a social enterprise. So that the charity can act responsibly, the trading activities would be held within the trading subsidiary. This would include the funding and management agreement with the local authorities, activities not within the charitable primary purposes, and trading where there is significant commercial risk (e.g. festivals.)
- The Board members of the trading subsidiary (the CIC) would be appointed by the parent charity (the Trust).
- Any Committees (including a Finance Committee and an HR Committee) would report to the Board of the parent charity.

3.5 Options Considered

The options that were considered were as follows:

- A) Retain the current governance structure but make changes within the existing structure
- B) Establish a parent charity and trading subsidiary
- C) Establish a community benefit society

The options appraisal, undertaken by the independent consultant, is at Appendix 5.

3.6 Process for establishing the new structure

3.6.1 Legal route to achieving the new unified structure

The Governance Reference Group has considered two main options:

Option 1: The Gunnersbury Museum and Park Development Trust becomes the vehicle for the Parent Charity and the Gunnersbury Estate (2026) CIC becomes the vehicle for the trading subsidiary.

Option 2: The CIC converts to a Charitable Incorporated Organisation (CIO) and becomes the vehicle for the parent charity. The Trust would close down, and transfer its assets (and some Board members) to the CIO. The CIO would need to set up a new trading subsidiary.

Having considered legal advice, and having reviewed pros and cons of the two options, the Governance Reference Group has taken the view that Option 1 would be preferable for the following reasons:

- The charitable company model (option 1) is well understood and inspires a high level of public confidence.

- The evidence, while not conclusive, suggests that the CIO model might be a barrier to achieving higher levels of income. For example, since 2013, only 0.8% of CIOs in England and Wales (70 organisations) have achieved income over £2m, compared to 1.4% of charities formed since that date (585 organisations).
- The CIO model was established primarily for small scale organisations, and is much less often used by larger scale and more complex charitable operations. It offers less public accountability and regulation than the charitable company option. Potentially it could also disadvantage efforts to raise loan finance (for example, there are no means for external registration of charges, which some lenders may ask for).

3.6.2 Appointment of initial Boards of the parent Charity and Trading Subsidiary

The Governance Reference Group has proposed that alongside the representatives from the two local authorities there should be an open and transparent process for appointment to the initial Board of the parent Charity to provide stakeholder and public confidence, allowing some continuity from the existing arrangements but also providing the opportunity for new people to be recruited.

The initial Board of the parent charity would therefore be formed of 11 Trustees as follows:

- a) The two local authority representatives (it is proposed that these should be senior councillors);
- b) The Chair (to be appointed through public recruitment);
- c) Four Continuity Board Members: two from the Trust and two from the CIC (to serve a single term)
- d) Four further appointees (to be appointed through public recruitment).

An options appraisal regarding the Continuity Board members has been carried out by the Governance Reference Group and is attached at Appendix 6.

The two local authorities would have places on the Nominations Committee to appoint the initial Chair, to appoint the rest of the initial Board, and also to appoint future Chairs.

The initial Board of the trading subsidiary will comprise between 3 and 9 Directors. A majority of these will be also be Trustees of the parent charity (to ensure that there is alignment between the policy of the parent charity and that of trading subsidiary). Additional Directors of the trading subsidiary Board will be appointed through public recruitment.

The details of the process are set out in the Nominations Committee Terms of Reference (Appendix 3).

3.6.3 Skills and experience required for the Boards of the Parent Charity and Trading Subsidiary

- The following has been agreed by the Governance Reference Group and the Boards of the CIC and Trust and would form the basis for recruitment of the initial Board.
- Skills/attributes that need to be widely present across the Board
- Diversity (including gender/ethnicity)*
- Ability to reflect and listen
- Commercial/entrepreneurial expertise *
- Project management/strategic planning skills
- A good general understanding of charity governance
- A good general understanding of HR
- Understanding the importance of transparency and accountability to local communities
- Credibility to local authorities *
- Knowledge and understanding of the local area, both Ealing and Hounslow, reflecting the diversity of the two boroughs. It was felt that is an essential requirement for the overall Board membership, in addition to the local authority representatives. However, this does not mean that all Board members would need to bring local insight, and there could be benefits if some Board members were to bring regional or national perspectives.

b) Skills/attributes that may sit with one or more individual Board members

- Governance expertise
- Accountancy expertise*
- Communications/marketing expertise *
- Fundraising expertise
- Expertise in managing cultural services (parks, museums, historic buildings, sports activities)
- Expertise in running sports centres/events (eg festivals)*

*(Those marked * are also proposed as essential for the trading subsidiary Board).*

Additional skills and other attributes for the Chair of the new charity Board.

- Strategic drive *
- Facilitation expertise *
- Prior Board experience
- Passion for the place
- Understanding of both commercial and not for profit sectors
- Appreciation of public service/stewardship role *

*(Those marked * are also proposed as essential for the Chair of the trading subsidiary Board. In addition the Chair of the trading subsidiary should bring direct relevant commercial experience.)*

In summary, an improved governance structure is needed in order to a) overcome fragmentation and allow a consistent and unifying plan and operations, b) to overcome barriers to both capital and revenue fundraising and thereby improve prospects of achieving the challenging financial targets and financial sustainability, and c) and to improve transparency to stakeholders and the wider public.

Having assessed the options, it is believed that the way forward is to adopt the widely understood model of a parent charity and a trading subsidiary. The Gunnersbury Museum and Park Development Trust and the Gunnersbury Estate (2026) CIC would be the vehicle for this, with the latter becoming the wholly owned subsidiary of the former. This would require the two local authorities to relinquish the control they currently have over the Gunnersbury Estate (2026) CIC but to take up places on the parent charity Board.

The two local authorities would be involved in the selection panels to establish the new Board and the process would include open public recruitment for the Chair and for other Board members alongside a limited selection from existing Trust and CIC Board members to ensure continuity.

4. Key Implications

4.1 Under the current arrangements, should the CIC get into financial difficulty and cease operating, the lease would forfeit to the local authorities and the service delivery, costs and liabilities would all revert to the two councils. Moreover, the two local authorities have shown themselves ready to step in in times of difficulty, by providing additional resources and absorbing risk. For example during the Covid-19 emergency Hounslow has made additional funding available, offered flexible drawdown of funding, and committed to maintain funding levels, and Ealing has agreed to take on direct management of the Sports Centre to November 2022.

Subject to the points at 4.2 below it is generally in the local authorities' interests to ensure short term and long term financial sustainability for running and developing the Park and Estate including the Museum Service, and potentially in future the Sports Hub as well, and the proposed unified governance structure is regarded as a sensible way to achieve that.

4.2 Safeguards available to the local authorities

The proposed changes will mean that the local authorities will not be able to exercise the level of control that they currently do with the CIC, by virtue of being sole members of the company. However there are a series of safeguards that can be applied, so that the local authorities, as influential partners, can continue to exercise their stewardship role for this significant public asset:

- The two local authorities will each have a place on the Board of the parent charity. The Articles of the Trust establish that the Board can only be quorate if at least one local authority nominated trustee is present. No changes to the Articles in respect of the clauses that relate to Board appointments can be made without agreement of both local authorities.
- As set out in the Nominations Committee Terms of Reference the local authorities will have places on the selection panel for the appointment of the initial Chair and other initial Board members, and for future Chair appointments as well.

- The local authorities will retain freehold ownership and continue to act as landlords. The terms of the lease, and the restrictions therein, will continue to apply.
- Hounslow will also continue to act as the planning and licensing authority.
- The management and funding agreement will continue to apply. A formal mechanism will be established for the two local authorities to meet with the Charity and Trading subsidiary to review progress, take remedial action if needed, and explore forthcoming opportunities.

4.3 Local authority influence

Under the new arrangements neither the parent charity nor the trading subsidiary can be Local Authority Controlled Companies. However, it is possible that they would fall within the category of Local Authority Influenced Companies. The implications of this are not regarded as problematic (the detail is set out at Appendix 7).

5. Financial Details

a) Financial Impact On The Budget

The approved revenue budget contains £ 355,000 of annual management service fee to the Gunnersbury CIC.

There are no changes proposed to this amount but the payee would become the trading subsidiary of the new charity.

All capital expenditure by the local authorities going forward will be subject to lease terms agreement, future funding availability and Cabinet or delegated approvals.

b) Financial Background (optional)

Funding and Management Agreement

The financial projections over a 10 year period are set out in the Interim Strategic Plan at Appendix 4. These show that in the short term an annual income of £2.2m is required, rising to £3m by the end of that period.

Under the Funding and Management Agreement the local authorities were initially contributing funding of £710k. The Agreement specifies a taper (a reduction of £55k for each local authority from April 2021, and a further £50k reduction for each local authority from April 2025). Hounslow has chosen not to implement the taper for the foreseeable future to support Covid Recovery, so the current funding level stands at a total of £0.655m (£0.300m from Ealing and £0.355m from Hounslow).

The projections set out in the Interim Strategic Plan show that a variation to the taper, whereby the current level of £0.655m would continue to 2023/24 and reduce to £0.600m thereafter, would provide a realistic basis for financial stability, and for achieving the priorities set out in the Plan, including those which are already in the Funding and Management Agreement.

It should be noted the Interim Strategic Plan projects a considerable increase in trading income from both trading activities, and also from net surpluses from public sector contracts (more than doubling by 2032 to at least £1.800m). It also projects a considerable increase in grants and donations (almost doubling by 2032 to around £0.550m). These increases would not be possible without the financial underpinning represented by the local authority fee. At the levels proposed the local authority contribution would reduce over time as a proportion of total income (from 30% to 20%). At the same time it would generate greater financial leverage (from £1.55m to £2.4m, a ratio increase from 1:2.4 to 1:4).

Loan Agreement

A £250k loan was granted by Ealing Council in 2019 to the CIC to provide initial working capital and is repayable by August 2025. Interest is payable at 5.13%. It is proposed that this loan agreement remains in place with the CIC (i.e. the trading subsidiary under the new arrangements).

c) Comments of the Director – Finance and Corporate Services

This report proposes a new governance structure for the Gunnersbury Museum and Park.

The changes to the governance arrangements do not change the value of the annual revenue grant paid by the Council to support Gunnersbury Museum and Park or change the freehold ownership arrangements.

Should the new organisation encounter financial difficulty, be unable to trade and forfeit the lease then the Council, alongside the London Borough of Ealing (as freeholders) would have obligations placed upon it. It is therefore important that the Council has involvement in the governance arrangements as exercised through its representation on the Board of the parent charity.

It is important that Board members of the parent charity understand their financial responsibilities as charity trustees and the Board members of the trading subsidiary understand their financial responsibilities in that role. The Boards of both organisations must understand the taxation implications of their operating model.

Any proposed changes to the Council's annual revenue grant to Gunnersbury and proposals for capital investment will need to continue to be the subject of Cabinet approval.

6. Legal Comments

a) Legal and Assistant Director of Governance and Monitoring Officer Comments
The Recommendations of this report seek Cabinet's approval to establish a unified governance structure for the management and future development of the Gunnersbury Park estate, including the park, buildings, and related services. The

Recommendations fall within the responsibility of Cabinet in accordance with Part 3B of the Constitution.

Cabinet will note paragraphs 3.4 and 3.6 of the report which sets out proposed governance structure solution of a parent charity and trading subsidiary.

Cabinet will further note the risks and safeguards of the proposal highlighted in paragraph 4 of report.

Both Councils have obtained external legal advice on the procurement implications of the proposals and this is contained in Confidential Appendix 8. Cabinet is advised that Appendix 8 is exempt from publication under Schedule 12 of the Local Government Act 1972, as it contains confidential, legally privileged, information. The release of this Appendix into the public domain may be injurious to the Council's future negotiations and could create a significant cost burden to the public purse. For these reasons it is not considered that the public interest knowing the contents of the Appendix is outweighed.

Cabinet is advised to note the equalities implications set out in paragraph 11 of the report and the Council's consideration of the Public Sector Equality Duty (Equality Act 2010).

7. Value For Money

Funding at the level indicated above is regarded as good value for money, not only for delivery of the services specified in the Funding and Management Agreement, but also to provide the basis for the wider income-generating activities, including trading and annual fundraising from trusts and foundations, with a projected combined value rising to c.£2.3m per year, and the major capital appeals which lie ahead, which will aim to raise c.£30m to complete the restoration and renewal of the park and buildings.

It is proposed that an annual mechanism should be introduced for the two local authorities to meet with the Charity and Trading subsidiary to review progress, take remedial action if needed, and explore forthcoming opportunities.

8. Sustainability Impact Appraisal

The proposed governance changes are designed to improve financial sustainability objectives by increasing fundraising potential. Also it should be noted that the short, medium and long term priorities set out in the Interim Strategic Plan include a wide range of activities designed to enhance environmental impacts.

9. Risk Management

Controlled Risk	Impact	Likelihood	Control
Failure to achieve income targets, both revenue and capital	High – this would threaten future viability as well as make it impossible	Medium – there will continue to be considerable uncertainty in the	The proposed new governance structure is designed to

	to deliver the further improvements to the park, buildings, and services that are needed. In the worst case this could lead to a call on the local authorities to rescue the situation.	pandemic/post pandemic period, and the income challenges are considerable.	improve the ability to fundraise and build confidence of funding bodies and therefore to mitigate this risk.
Inadequate level of skills and diversity on the new Board	High – this is a complex and multi-faceted operation and considerable strategic, business, and relationship-building skills as well as community insights and diversity are needed at Board level.	Low - there is already a pool of capable and experienced people to draw on for the new Board from the Trust and CIC, and the plan is to go beyond this as well to recruit new people.	The public recruitment process, with involvement from the two local councils, will be a means to ensure that a diverse range of the best possible people are appointed to the Board of the parent company and the trading subsidiary.
Failure to achieve credibility with stakeholders and the local communities in Ealing and Hounslow	High – to achieve the goals set out in the Interim Strategic Plan produced this year requires active and enthusiastic engagement of partners organisations and local people, not least through an enhanced programme of volunteering.	Medium – there is a lot to do to establish a greater level of transparency, improve communications, and raise participation levels.	Governance changes by themselves will not resolve this, but should nevertheless provide the foundation for a more transparent way of operating that can build confidence and credibility with stakeholders and the wider public.

10. Links to Council Priorities

The recommendations are linked to 3 Council Priorities :

- PEOPLE LIVE IN GOOD HOMES AND PLEASANT NEIGHBOURHOODS – through sustainable investment in Gunnersbury services

- PEOPLE ARE CONNECTED AND FEEL PART OF A COMMUNITY – through community-focused and community-accountable services
- RESIDENTS ARE HEALTHY AND ACTIVE – through leisure and sport opportunities at Gunnersbury

11. Equalities, Human Rights and Community Cohesion

Section 149 of the Equality Act 2010 (“the Act”) places a duty on the Council in the exercise of any of its functions to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

The protected characteristics are age, race, disability, gender, reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation.

It is considered that a full Equalities Impact Assessment is not required in this instance. An initial screening exercise was undertaken and established there are no proposed changes to the public services provided at Gunnersbury Park and Museum.

The relevant considerations are :

- 1) There are no proposed changes to the public services provided at Gunnersbury Park and Museum, which already have a positive impact on people who share a protected characteristic. Therefore it is considered that there are no adverse impacts arising on persons sharing the above protected characteristics.
- 2) The proposed nomination of Trustees (see Appendix 3) is designed to increase equality of opportunity for governance participation in the Trust and its subsidiary.

12. Staffing/Workforce and Accommodation implications:

There are no staffing or accommodation implications.

13. Property and Assets

As stated above, the local authorities will retain the freehold of the park and estate, and will continue to hold the museum collection in trusteeship.

It is proposed that the 25-year lease period should commence with the adoption of the new governance structure, and that it should contain provisions for rolling renewal. This is important to provide assurance to funders, especially for significant capital developments.

14. Any Other Implications

There are no further implications.

15. Consultation

The Boards of the Gunnersbury Estate (2026) CIC and Gunnersbury Museum and Park Development Trust have approved the proposals set out in this report in principle, and following completion of due diligence expect to pass resolutions by the end of November formally agreeing the new structure subject to local authority Cabinet approval.

Public notices for the disposal of assets through lease to a charitable trust will be published to meet the completion and handover deadline, if required.

16. Timetable for Implementation

The following timetable is regarded as achievable but might need to be adjusted. It assumes that Charity Commission approval for the changes will not be needed (which should be the case given the nature of the changes proposed for the Trust Articles) – if Charity Commission approval is required that is likely to cause a delay of 2-3 months at least.

November 2021	CIC and Trust formally approve the proposals at CIC and Trust Board meetings following completion of due diligence
January 2022	Ealing/Hounslow approve the proposals at relevant Council Cabinet.
January to March/April 2021	Public recruitment, selection of Initial Chair, Continuity Board members, and other members of the Board (as per the Terms of Reference).
May 2021 (post local authority elections)	Appointment by the Ealing and Hounslow of their representatives to the new Board.
May/June 2021	Once initial boards have been identified, CIC and Trust pass resolutions to implement the merger. Formal appointment and resignation of directors/trustees (to take effect on adoption of the new Articles) – letters of appointment and resignation. A: Ealing/Hounslow as members of the CIC adopt new articles for the CIC; and B: Trustees of the Trust as members of the Trust adopt new articles for the Trust Appointment by the new Board of directors of the CIC. Transfer of lease from the CIC to Trust.

17. Appendices

Appendix 1 - Articles of the Gunnersbury Museum and Park Development Trust

Appendix 2 – Articles of the Gunnersbury Estate (2026) CIC

Appendix 3 – Nominations Committee Terms of Reference

Appendix 4 – Interim Strategic Plan

Appendix 5 – Options appraisal: governance structure

Appendix 6 – Options appraisal: selection of Continuity Board members

Appendix 7 – Implications of Local Authority Influenced Companies

**Confidential Appendix 8 – Advice on Procurement Implications
(CONFIDENTIAL)**

18. Background Information

There is no further background information.

REPORT ENDS