

HAMPSHIRE SOLENT CULTURAL TRUST (working title)

Implementation Stage 2 Consultation with Fareham Borough Council regarding Fareham Westbury Manor Museum

16 January - 21 February 2014

2014/15 will be a transitional year for Westbury Manor Museum, during which it is anticipated that services will be transferred from Hampshire County Council to the Hampshire Solent Cultural Trust (working title).

Venue Plan 2014/15

The draft Venue Plan attached (Appendix 1) outlines the programme and activities proposed to be undertaken during 2014/15. It presents a template and level of outcome that would continue to be delivered as a minimum into 2015/16 and 2016/17 (subject to FBC funding).

In summary, the key proposed activities for Westbury Manor Museum in 2014/15 are:

- a) Opening of Westbury Manor Museum, 34 hours per week, providing a warm, safe and welcoming visitor experience
- b) Delivery of a 12 month temporary exhibition programme consisting of 6 months local/ 6 months touring shows
- c) Delivery of a learning and engagement programme that annually delivers to 900 school pupils and a dynamic range of community projects
- d) Managing, looking after and making accessible the local collections relating to the Borough of Fareham
- e) Undertaking fundraising activity and increasing external investment available to deliver services in Fareham
- f) Marketing of venue and exhibition programme to increase visitors and income by 3%
- g) Work with HCC and FBC to develop and deliver long-term vision for cultural integration in the Fareham area

We do appreciate, and agree with the desire to take full account of the arts and cultural offer in Fareham Town in a coordinated and meaningful way. Any combining and integration of services will have investment cost implications, and will need a clear vision and set of customer-focused outcomes to attract funding and advocacy support. The Trust is likely to provide greater opportunities in this regard once established. The Trust will be interested in working with FBC and HCC during this 3 year period to define and deliver a collective vision for Fareham, which may include the Trust expressing an interest in the operation of Ferneham Hall, as appropriate.

Grant Funding Proposals

As outlined in the Business Case (section 5), HCC's commitment to arts and museums services will increase slightly during the first 3 years in order to establish the Trust as a secure and resilient organisation. In support of this strategy, it has been proposed that FBC enters into a 3-year funding agreement and retains the same level of funding as per 2013/14. FBC feedback suggests that a 3 year funding agreement seems reasonable, but that FBC is NOT able to commit to the current level of funding during that period. The consequences of this proposed reduction on the draft Venue Plan above are:

- a) The current proposal by FBC to adjust the grant by the value of NNDR contribution 'lost' to FBC will impact on the Trust's ability to plan for a long-term integrated cultural vision in Fareham and secure external investment (see section on Budget Presentation).
- b) If FBC reduces the grant by an additional 10%, it will be necessary to reduce opening hours to Westbury Manor Museum by approximately 7 hours per week.

Budget Presentation

We note the concerns raised by FBC regarding the transparency of budgets and the on-going alterations to the way budgets are presented. Since 2011/12, we have sought to be transparent regarding the full cost of delivering services at Westbury Manor Museum. At the same time it has been necessary to find creative solutions to maintaining levels of service whilst reducing budgets by 38%. These step changes inevitably have an implication for the way the service is delivered and how budgets are presented. For example, prior to Phase 2, the Community Curators were managed by a dedicated Community Curator Manager. In Phase 2, this post was deleted as a cost efficiency and the existing Arts Centre Managers have taken on this role in addition to their previous function. A small percentage of their time is now allocated to managing Westbury Manor Museum and this is included within the budget instead of a contribution towards the Community Curator Manager.

Moving to a Hampshire Solent Cultural Trust (HSCT) model is the third and final anticipated key step change in this organisational and budgetary transformation. Future budget presentation and management will continue to evolve, but not radically change, in dialogue with FBC over the next 3 years.

The second draft budget, which reflects a transition year, is attached as Appendix 2. It includes the current Museum budget for quarters 1 & 2 of 2014/15 and the Trust budget for quarters 3 & 4. These have been modelled to include staff increments and a 1% pay award. They also include more accurate projections in relation to VAT costs, the financial activity which will be included in the trading arm and projected income from gift aid (where applicable). There are also indicative budgets for 2015/16 and 2016/17.

The budget headings reflect the headings in the draft Venue Plan, making it easier to understand where money is being spent and how Westbury Manor Museum directly benefits. The Trust strategy takes a more business-focused approach than currently:

- a) The centrally provided exhibition programmes will be increasingly cost-effective and commercial with the objective of increasing visitors and income. Stronger connections will be made between the community museum and flagship venue programmes: for example, Hampshire's Big Theme 2014 (1914 – Commemorating World War 1); Lego Lost Worlds Zoo
- b) Expenditure in marketing (both print-based and digital) will increase in support of these programmes and their income/ visitor targets
- c) Expenditure in fundraising will increase in support of meeting revenue external investment targets (minimum £500,000 pa)
- d) Expenditure in business development expertise will be maintained and strengthened to support long-term development plans, revenue and capital investment for culture across Hampshire, including Fareham
- e) A new budget line will be introduced, entitled 'Projects', derived from new budget opportunities created within the Trust framework. This funding will be used, where possible, to lever in additional investment for public programming across all venues,

including Westbury Manor Museum. It will be allocated across arts and museums public programmes on an annual basis or in relation to specific projects which have secured external investment, with priority given to partners demonstrating most strategic commitment.

In addition, we intend to report on external investment secured and/applied for, and in kind support generously received from volunteers, trustees, businesses and other individuals and/or organisations.

The recently secured Heritage Lottery Funded programme - Inspiring a Culture of Philanthropy in the Hampshire Solent Area – provides an example of external investment benefit. In 2014/15, there will be opportunities for museum venues in two geographic areas across the service to develop their fundraising networks and skills to the value of £10K each. A further eight non-service venues across Hampshire will also benefit from this funding. This three-year programme aims to create a culture of philanthropy, and inspire a real step change for both the sector and the philanthropic community in the Hampshire Solent area. There may be opportunities for other areas as this programme develops during years 2 and 3.

Governance

In order to ensure accountability, we propose that FBC enters into a minimum 3-year funding agreement and becomes a Core Partner of the Trust. It is recognised that in such an arrangement, planned grant amounts for years 2 and 3 may be in principle until annually confirmed as part of wider budget decision-making. A minimum of 18 months notice is required of any intention to terminate funding or reduce significantly, including at the end of the 3 year agreement. Arrangements for renewal/extension of agreement beyond year 3 will be agreed during year 2.

To strengthen the relationship between FBC, HCC and the Trust further, we propose that a Joint Management Agreement (“JMA”) between HCC and FBC is entered in to. We propose that the term of this agreement is 10 years with an option to extend at the agreement of the parties. Whilst the Trust will not be in existence when the JMA is entered in to, it is proposed that the services envisaged to be undertaken and delivered by the Trust are specified for information purposes at this stage. Upon the formation of the Trust it is proposed that the parties enter in to a Deed of Variation to encompass the roles and obligations to be undertaken by the Trust.

This would not only facilitate the long-term relationship between HCC and FBC through the management and development of local museums (and arts), but it would also strengthen the local voice within the Trust. It is proposed that Joint Management Committees (“JMC meetings”) could be held 2-4 times per annum consisting of HCC and FBC members, other community representatives as now, and, in due course, with Trust officers in attendance. It is proposed that the HCC Trust Client Officer would monitor this relationship as part of on-going monitoring arrangements, but would not ordinarily attend regular JMC meetings. At least 2 JMC meetings would be required per annum for ordinary business (budget setting and performance monitoring); an additional 1-2 meetings per annum could focus on strategic visioning.

It is also proposed that HCC’s management and grant agreement with the Trust will incorporate a requirement that the Trust sets up the following:

a) Annual Trust Advisory Group: Advisory meetings between the Trust, Members and Core Partners to report on performance and receive advice on the forward programme. Each Core Partner would be invited to send a nominated Elected Member representative to attend, which would ordinarily be the Chair/ Vice Chair of the JMC

b) Trust Community Liaison Group: Advisory meetings between the Trust and representatives from the wider community nominated by Members and Core Partners

Property and Collections

HCC owned properties will be leased for a minimum of 25 years at any time to support external funding initiatives that require evidence of long-term commitment.

However, it is recognised that Fareham Borough Council are unlikely to be in a position to grant such tenure for Westbury Manor Museum, and it is proposed that a minimum 3 year licence to operate is provided, tied into the 3 year funding agreement.

Under the terms of the lease, HCC will continue to provide repairs and maintenance responsibilities under the corporate assessment system for managing non-schools estate. It is also proposed that HCC will directly manage expenditure on utility costs to an agreed level of budget. These costs are currently shown in italics in the main budget (Appendix 2). The amount identified for repairs and maintenance is an average of the actual costs over the past 3 years. However, due to annual fluctuations in property and maintenance costs, some years this will be more as works need to be carried out and in other years the burden will be lighter. HCC will pick up any such overspend in years when more work needs to be done.

A Collection Loan Agreement will be put in place from the formation date of the Trust for a duration of not less than 25 years that sets out the Trust's obligations in relation to caring for the collections in the ownership of Hampshire County Council. The collections include items associated with the Borough of Fareham and these will continue to be available for inclusion in the permanent displays at Westbury Manor Museum. Items from the wider Hampshire collections will also continue to be available for special exhibitions and events at the museum. Items in store at Chilcomb House in Winchester will also remain accessible by appointment and through the Trust's website wherever possible.

The Trust will care for, maintain, conserve, repair, restore and undertake the day-to-day management of the collections in accordance with professional museum standards including those defined by the Accreditation Scheme. Items may be removed from or added to the collection if the Trust and the Council are in agreement and if it is in accordance with the current acquisitions and disposals policy.

Fareham Borough Council owns a wooden bier, or four wheeled undertaker's handcart made about 1910, which is on loan to Hampshire County Council. (HMCMS:SH1998.521) It is proposed that Fareham Borough Council continue loaning the bier to Hampshire County Council from the formation date of the Trust for a duration of not less than 25 years so that Hampshire County Council may, in turn, loan this item to the Trust.

We are very willing to respond to any immediate queries the Borough may have and will be able to provide a copy of the Collection Loan Agreement for information in due course.

Central Support Services

Under the grant agreement outlined in the business case, HCC will continue to provide central support services in the areas of Finance, HR, IT, Legal, Marketing Consultancy, Architectural Feasibility and Risk Management. Business Support (Admin) resource will transfer directly to the Trust. Further information can be found in section 6 of the business case and in Appendix 2 below.

Next Steps and Actions From You

We invite formal feedback on these detailed proposals, draft budget and venue plan. In particular, we would welcome your formal response to the following questions:

1. Are you interested in signing up as a Core Partner to the Trust, with commitment to a 3 year funding agreement and a minimum of 18 months notice of termination/ significant reduction in funding?
2. Please confirm your level of funding for 2014/15, and indicative level of funding for 15/16 and 16/17 (as appropriate)?
3. Please confirm your interest in entering into a licence arrangement for Westbury Manor Museum tied into a 3 year funding agreement, as outlined in this proposal
4. Are you interested in entering into a 10 year Joint Management Agreement as outlined in this proposal, to strengthen local voice and long-term planning relationships between FBC, HCC and the Trust
5. Please confirm that FBC are willing to continue loaning the bier to Hampshire County Council from the formation date of the Trust for a duration of not less than 25 years so that Hampshire County Council may, in turn, loan this item to the Trust.

We would welcome your responses and any other observations you might have by **6pm on 21st February 2014**. Where the decision making process for your authority is after this date, we would be grateful if you could confirm the decision date, if known.

APPENDIX 1

**Fareham Westbury Manor Museum
Draft Venue Plan: 16 January 2014**
(please see documents attached)

APPENDIX 2

**Fareham Westbury Manor Museum
Second Draft Budget 2014/15 (Q1&2 HCC, Q3&4 Trust): 16 January 2014**
(please see documents attached)