

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 March 2014

Portfolio:	Leisure and Community
Subject:	Westbury Manor Museum - Hampshire Solent Cultural Trust Proposals
Report of:	Director of Community
Strategy/Policy:	Leisure Strategy
Corporate Objective:	Leisure opportunities for health & fun

Purpose:

To consider the proposals from Hampshire County Council to transfer the management of Westbury Manor Museum to the newly established Hampshire Solent Cultural Trust.

Executive summary:

Hampshire County Council, Southampton City Council and Winchester City Council came together in January 2011 to investigate the opportunity for integrating their arts, museums and heritage services.

The proposal going forward is that Hampshire County Council and Winchester City Council come together to create a Hampshire Solent Cultural Trust with the capacity to champion a bold vision and facilitate wider partnership working, while playing its part by delivering quality arts and museum services on behalf of Hampshire and Winchester residents.

There are implications for the Westbury Manor Museum under the new arrangements. Hampshire County Council is seeking agreement from Fareham Borough Council to enter into a 3 year funding agreement and lease for the Westbury Manor Museum. The details of these and other proposed changes are detailed in the report.

A further proposed outcome is for Hampshire County Council and Fareham Borough Council to develop a long term strategic vision for the integration of cultural facilities in the Borough of Fareham.

Recommendation/Recommended Option:

That the Executive approves:

- a) a three year funding agreement between Fareham Borough Council and Hampshire County Council for the provision of the museum service in Westbury Manor from 1 April 2014;

- b) a 10% reduction in the Councils current level of financial contribution to the cost of the service which will result in a payment of £64,530 per annum for the duration of the three year agreement;
- c) that the Council continues loaning the bier hand cart to Hampshire County Council from the formation date of the Trust for not less than 25 years duration so that Hampshire County Council may, in turn, loan this item to the Trust: and
- d) that Hampshire County Council and Fareham Borough Council develop a strategic vision for the integration of cultural facilities in the Borough of Fareham.

Reason:

To agree the proposed arrangements for the provision and management of the museum service at Westbury Manor Museum under the newly formed Hampshire Solent Cultural Trust.

Cost of proposals:

The cost of the proposals can be met within existing revenue budgets.

Appendices: **None**

Background papers: **4 February 2014 - Report to the Fareham Museum Joint Management Committee – Hampshire Solent Cultural Trust - Update**

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BOROUGH COUNCIL

Executive Briefing Paper

Date: 3 March 2014

Subject: Westbury Manor Museum - Hampshire Solent Cultural Trust Proposals

Briefing by: Director of Community

Portfolio: Leisure and Community

INTRODUCTION

1. Hampshire County Council (HCC), Southampton City Council (SCC) and Winchester City Council (WCC) came together in January 2011 to investigate the opportunity for integrating their arts, museums and heritage services.
2. This strategic review of the arts and museum service was instigated as a result of the economic austerity and concerns that these organisations were not in a position to continue investing in cultural heritage to the same level over the next 5 -10 years. The main concern being an inevitable 'spiral of decline' in service standards that would result from the decision to 'do nothing'.
3. The proposal going forward is that Hampshire County Council and Winchester City Council come together to create a charitable trust with the capacity to champion a bold vision and facilitate wider partnership working, while playing its part by delivering quality arts and museum services on behalf of Hampshire and Winchester residents.
4. This report sets out the background to the emergence of the cultural trust and the implications for Westbury Manor Museum as a result of the transfer of the management of the museum service from HCC to the newly formed organisation.

PROPOSAL

5. In 2011, a Steering Group was established with senior officer representation from Hampshire County Council, Southampton City Council and Winchester City Council. In January 2012, the three partners approved the preferred option as the establishment of a charitable company limited by guarantee.
6. The aim of the charitable company will be to develop and deliver an exciting, innovative arts and heritage programme that maximises earned income, strategic collaboration and efficiencies of integration.
7. Coming together as a Trust, the partners will commit to delivering an innovative 5 year business plan that drives up earned income, building on the strengths, unique selling points and customer base of the local authority areas/services. The specific financial benefits and costs associated with a charitable company limited by guarantee are considered to be:

- Decrease in NNDR costs (advantage to Trust)
 - Gift aid opportunities
 - Increased earned income potential
 - Accessing new funding from trusts and foundations, corporate donors and individual philanthropists
8. HCC propose that transfer of services and staff, and loan of property and collections would take place during the period May-October 2014
 9. It is anticipated that the remainder of 2014 and into 2015 would be a transition period during which the following key tasks include:
 - Open competition for long-term Trustee Board
 - Open competition for Chief Executive
 10. By January 2016, it is anticipated that the Trust will be firmly established and fully ready for business.
 11. A more detailed analysis of the business case for the Hampshire Solent Cultural Trust is contained in the report presented to the meeting of the Fareham Museum Joint Management Committee on 4 February 2014.

PROPOSALS FOR WESTBURY MANOR MUSEUM

12. Westbury Manor is owned by Fareham Borough Council. A Joint Management Agreement (JMA) is currently in place between Fareham Borough Council and Hampshire County Council for the building to be used for the provision of a museum.
13. This agreement expired in November 2012 but a deed of variation is in place to maintain these arrangements, with a formal review taking place annually. Part of this agreement includes a financial contribution, from the Council, to the cost of providing the museum service at Westbury Manor. The budget figure for 2013/14 is £71,700.
14. HCC are seeking a commitment from the Council to enter into a three year funding agreement at the current level of £71,700 per annum and a three year lease for Westbury Manor to host the museum service. The proposal is for a minimum of 18 months' notice for any intention to terminate funding or reduce it significantly.
15. As the charitable trust will attract 80% mandatory and 20% discretionary relief on the Business Rate liability on Westbury Manor and the Ashcroft Arts Centre, which will also be operated by the Trust, there is a potential small financial loss to the Council. This is explained in more detail in the financial implications section of the report.
16. Given that the proposed arrangements for the transfer of the museum service to the newly formed charitable trust have financial consequences, the counter proposal from the Council is to reduce the current level of funding by 10%. This is to help off set the loss of income received by the Council for business rates from the two properties in question.
17. This will result in an annual contribution of £64,530 from the Council to Hampshire Solent Cultural Trust. At this stage the indication from HCC is that this reduction in funding can be accommodated but would require the opening hours of the museum to reduce by 7 hours per week.

18. A new JMA between Fareham Borough Council, HCC and the Hampshire Solent Cultural Trust will set out the governance arrangements. HCC are proposing the term of this agreement is 10 years.
19. Whilst the Trust will not be in existence when the JMA is entered in to at this stage, 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.
20. It is proposed that the Joint Management Committee (JMC) would meet 2-4 times per annum consisting of HCC and Fareham Borough Council 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); additional 1-2 meetings per annum could focus on strategic visioning.
21. 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 Chairman/ Vice Chairman 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.
22. Under the terms of the lease on Westbury Manor Museum, HCC will continue to provide repairs and maintenance responsibilities. It is also proposed that HCC will directly manage expenditure on utility costs.
23. Fareham Borough Council owns a wooden bier, or four wheeled undertaker's handcart made about 1910, which is on loan to Hampshire County Council. It is proposed that Fareham Borough Council continue loaning the bier to Hampshire County Council from the formation date of the Trust for not less than 25 years duration so that Hampshire County Council may, in turn, loan this item to the Trust.
24. Within the proposals there is a commitment for Hampshire County Council and Fareham Borough Council to develop a strategic vision for the integration of cultural facilities in the Borough of Fareham. This will include consideration of the cultural services provided at Westbury Manor Museum, Ferneham Hall and the Ashcroft Arts Centre.

RISK ASSESSMENT

25. HCC have undertaken an evaluation of the risks associated with the formation of the new charitable body but all the main risks identified have been given a low risk rating.

FINANCIAL IMPLICATIONS

26. HCC are currently liable for the Business Rates on Westbury Manor, payable 2013/14 £13,659 and The Ashcroft Arts Centre, payable 2013/14 £10,644. Based on the current year's figures the Council would receive an estimated 40% of the rates for both these properties, approximately £9,720.
27. The Hampshire Solent Cultural Trust would have the potential to attract 80% mandatory relief and 20% discretionary relief and therefore, if granted 100% relief, the Council would lose an estimated £9,720 income.
28. The Council currently contributes £71,700 per annum to the management of the museum service at Westbury Manor. It is proposed to implement a 10% reduction in the funding contribution which equals £7,170 per annum.
29. This means that there is a potential net loss to the Council as a result of the new arrangements for the management of the museum service of £2,550. This can be met from within the existing revenue budget.

CONSULTATIONS

30. A meeting of the Westbury Manor Museum Joint Management Committee took place on Tuesday 4 February 2014 and considered the proposals for the Hampshire Solent Cultural Trust.
31. The Committee agreed the proposed arrangements for the transfer of the management of Westbury Manor Museum to the Hampshire Solent Cultural Trust. The proposal to reduce the opening hours of the Museum by 7 hours per week to accommodate the 10% reduction in funding was also agreed by the Committee.

CONCLUSION

32. The arrangements for setting up the new Hampshire Solent Cultural Trust to manage the arts and museum service across Hampshire are being progressed. It is anticipated that the Trust will be firmly established and fully ready for business by January 2016.
33. The implications for the Westbury Manor Museum under the new arrangements, as set out in the report, have been agreed by the Fareham Museum JMC. Hampshire County Council is seeking agreement from Fareham Borough Council to enter into a 3 year agreement during which the Trust will take over the management of the Museum from HCC.
34. There is also a commitment for Hampshire County Council and Fareham Borough Council to develop a long term strategic vision for the integration of cultural facilities in the Borough of Fareham. This is an opportunity to provide new and improved cultural facilities for the residents of Fareham with the integration of Ferneham Hall, Ashcroft Arts Centre and Westbury Manor Museum into one cultural hub.

Reference Papers: None