

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Culture and Recreation
Date:	8 July 2011
Title:	Hampshire Arts and Museums Service – Planning for the Future: Phase 2
Reference:	2994
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

1.1. The purpose of this paper is to:

- Reaffirm Hampshire County Council's ongoing commitment to delivering a nationally renowned arts and museums service that meets the needs of people living, working and visiting Hampshire.
- Provide an update report on options regarding Phase 2 of the Hampshire County Council Arts and Museums review and propose a draft strategic plan for consideration (Appendix 1). This work builds fundamentally on the foundations and principles embedded in Phase 1 of the review, 2010/11 to confirm a strategic vision and plan for the Service over the next 5-10 years.
- Seek Executive Member approval to enter into dialogue with partners and key stakeholders to refine the draft strategic plan, and to develop detailed proposals regarding future organisational delivery for consultation with staff and unions in autumn 2011.
- Briefly update the Executive Member regarding research into wider transformation initiatives including the option of developing an arms length or independent delivery organisation in partnership with Southampton City Council and Winchester City Council

1.2. A further report will be provided later in the year summarising the results of this process and seeking approval for implementation.

2. Contextual information

2.1. Phase 2 of the HCC Arts and Museums Service review was highlighted in the Executive Member for Culture and Recreation Decision Report dated 8

March 2011. As emphasised in this report, this phase of review will build on the foundations and principles embedded in Phase 1 (as set out in the Executive Member report 'Museums and Arts Service Future Planning' on 8 July 2010).

- 2.2. The draft strategic plan accompanying this report (Appendix 1) provides further detail on the background context of the review, and has itself been informed by the Executive Member reports regarding Phase 1 dated 8 July 2010, 17 November 2010 and 28 January 2011.
- 2.3. Since 8 March 2011, the Arts Council has announced its decisions regarding the organisations that will be supported via their National Portfolio scheme from 2012/13 onwards. These decisions have implications for three organisations within the Hampshire regularly funded portfolio – ArtSway, Forest Forge and Hampshire Dance. These implications are being considered as part of the Phase 2 HCC Arts and Museums Service review.
- 2.4. The Head of Hampshire Arts and Museums Service has also been undertaking initial officer level discussion with district and borough council partners regarding future ambitions and intentions regarding arts and museums partnership working with HCC in their localities.

3. Financial Implications

- 3.1. Phase 1 was approved in November 2010 and dealt with fundamental changes and reductions in Renaissance funding. Phase 1 changes have been incorporated into the 2011/12 budget. Phase 2 will address the financial pressures associated with anticipated local authority reductions. For Hampshire County Council these budget pressures have been identified as requiring an 8% reduction in budget for the two financial years 2011/12 and 2012/13. The potential impacts of this in terms of the Arts and Museums Service Review are:

- A further reduction to Hampshire Museums Service budget (long-term solution to addressing 2011/12 reductions and working in the assumption of further reductions in 2012/13)
- A reduction to Hampshire Arts Service budget (a long-term solution has already been identified for addressing the reductions required in 2011/12 and working in the assumption of a further reductions in 2012/13)

It is anticipated that decisions regarding Phase 2 will be made in December 2011, and at this stage we are preparing options and impacts as part of the consultation process. Any final budget decisions will be taken following that consultation and within the context of the CCBS Department's response to Hampshire County Council's formal budget setting process.

- 3.2. The Arts and Museums Service runs 9 community museums in partnership with 8 District and Borough Councils (through a series of Joint Management and Service Level Agreements) and provides regular grant aid to 12 arts organisations that are also part-funded by District and Borough Councils. These partners have also been affected by the October 2010 Spending

Review, and it is intended that Phase 2 will address these partner budget pressures strategically.

- 3.3 During 2011/12, most JMA/ SLA arrangements will expire or reach a break clause: Eastleigh Museum, Gosport Museum, Westbury Manor Museum, Red House Museum, Willis Museum, Aldershot Military Museum and Milestones.

4. Future Direction: Phase 2

- 4.1. The draft strategic plan, 2012-16, (appendix 1) outlines a strategic set of proposals for the Phase 2 review that collectively will enable the Arts and Museums Service to deliver its vision of innovative excellence within the reduced financial parameters available from 2012/13.
- 4.2. Given the level of funding reductions required, it will be necessary to develop significant changes in methods of delivery if levels of public access are to be retained as far as practicably possible.
- 4.3. The key proposals within the draft strategic plan are as follows:
- The service will be managed as an integrated arts and museums service.
 - It will consist of 3 inter-connected elements: Flagships; Community Programmes and Venues; Central Specialist Services. Appendix 1 7.2 outlines the proposed detail of these elements.
 - The Service will be informed in terms of planning and strategy by the 2 LEPs and 3 broad sub-areas identified within the Hampshire Economic Area. For practical reasons, it is currently anticipated that slightly different geographic area divisions will be used to manage service delivery at an operational level. These are North and Central Hampshire; South East Hampshire; South West Hampshire.
 - The option that Milestones becomes the centre of arts and museums operations for the HCC service will be considered, with Chilcomb becoming a complementary location providing specialist facilities for access to the centralised collections as well as museum exhibition workshop functions.
 - Community Programmes reach beyond existing cultural venues and inspire increased community participation. Community cultural venues are increasingly delivered through a professional-volunteer community partnership model developed to empower communities and support sustainability.
 - To further develop income generation potential through moving towards a more enterprise model of generating external funds

5. Other options considered

- 5.1. Given the significant financial pressures identified in section 3 of this report, doing nothing is not an option.

- 5.2. A number of alternative options for addressing the financial pressures outlined in section 3 are being considered as part of the ongoing options appraisal process. These are outlined in Appendix 2 of this report and will inform the basis for consultations prior to any final decision.
- 5.3. The preferred option is to develop a strategic approach based upon the content of the draft strategic plan coupled with previous work underpinning the review. The draft plan sets out an ambitious and bold approach which, if achieved, will enable the achievements of the last ten years to continue and flourish within the context of diminishing public sector budgets. It adopts a creative approach to finding solutions that minimize the impact on public service. These may not be the easiest options to deliver in the short-term and will rely on strong ongoing partnership support, but they will fundamentally enhance sustainability and public benefit in the medium to long-term.

6. Organisational review

- 6.1. The strategic approach proposed in this report is likely to result in budget savings being made across a number of functional areas.
- 6.2. Detailed draft proposals for a revised organisational structure to support the strategic approach presented in this report will be available for staff and union consultation in September 2011.
- 6.3. These proposals are likely to result in a significant fte reduction in staffing from 2012/13.

7. Wider Transformation

- 7.1. As reported in the 8 March 2011 report, HCC Arts and Museums Service and Hampshire Records Office are working with Southampton City Council Arts and Heritage and Winchester City Council (museums) to examine a proposal to integrate archives, arts and museums service delivery across the 3 local authorities. A financial evaluation of this potential Fully Integrated Merger (FIM) is currently underway, funded during 2011/12 by the Museums, Libraries and Archives Council (MLA) Renaissance transition programme. The detailed outcomes of this work will be reported to Executive Member in the Autumn 2011. It is not anticipated that Phase 2 will be affected by this outcome, and if a recommendation is made to pursue this initiative, it is likely to be fully implemented in 2013/14.
- 7.2. The MLA Renaissance transition programme for 2011/12 is also funding the development of a Hampshire-Solent Alliance, of which the FIM may eventually form a part. This Alliance encourages closer partnership working with the Mary Rose Trust, National Motor Museum Beaulieu, the Isle of Wight Council services and Portsmouth City Council. A number of collaborative projects have been established to promote synergies and examine efficiencies in delivery.
- 7.3. Following the Government's decision to abolish the MLA the Arts Council is currently consulting with the museums sector regarding future arrangements

for managing Renaissance from 2012/13 onwards. It is anticipated that an announcement will be made in September 2011 concerning their plans and details of the application process. It is currently anticipated that work on the FIM and Alliance will be of benefit to future ambitions to attract Renaissance, and possibly other, funding into the Hampshire and Solent area. A further update regarding the Renaissance programme will be provided in the autumn 2011.

8. Provisional timetable

- 8.1. The timetable is currently anticipated as follows although it may change in terms of detail as Phase 2 progresses and should be regarded as provisional.

8 July 2011: Executive Member report outlining options for Phase 2 and presenting a draft strategic plan, 2012-16. Seek approval to enter into dialogue with partners and key stakeholders to refine the draft strategic plan, and to develop detailed proposals regarding future organisational delivery for consultation with staff and unions in autumn 2011.

July – Nov 2011: Dialogue with partners and key stakeholders; consultation with staff and union representatives; consultation with regularly funded organisations.

Nov 2011: EM report providing feedback and recommendations, as appropriate, regarding the Fully Integrated Merger proposal.

Nov 2011: Select Committee consideration of Phase 2.

Dec 2011: EM report providing feedback on Phase 2 dialogue and consultation exercise and key decision requested for implementation of resulting Phase 2 proposals

May 2012: Implementation of Phase 2 reorganisation

9. Recommendation(s)

- 9.1. That the Executive Member for Culture and Recreation:
- a) Approves detailed dialogue with partners and key stakeholders regarding the draft strategic plan, 2012-16, included in this report.
 - b) Approves the development of detailed proposals regarding future organisational structure to deliver this draft plan for consultation with staff and unions during the period, September-November 2011.
 - c) Approves the development of detailed proposals regarding future grant aid to regularly funded organisation in support of this draft plan for discussion and consultation with current recipients as appropriate during the July - November 2011 period.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Renaissance SE Hub		17/07/2008
Renaissance SE	920	10/09/2009
Hampshire Arts and Museums Service – Planning for the Future	1637	08/07/2010
Hampshire Arts and Museums Service – Planning for the Future	2154	17/11/2010
Hampshire Arts and Museums Service – Planning for the Future		28/01/2011
Hampshire Arts and Museums Service – Planning for the Future		08/03/2011
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. An Equalities Impact Assessment for Phase 2 will be developed during the July-November 2011 period for consideration in December 2011 as part of the decision-making process.

2. Impact on Crime and Disorder:

- 2.1. The County Council has a legal obligation under Section 17 of the Crime & Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on crime and disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? Not applicable
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Not applicable