

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Culture and Recreation
Date:	20 January 2012
Title:	Hampshire Arts and Museums Service – Planning for the Future: Phase 2
Reference:	2595
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 in and visiting Hampshire.
- Provide an update report on feedback received about the draft strategic plan and phase 2 detailed proposals for organisational delivery during the staff and union consultation period, 30 September 2011 - 3 January 2012.
- Provide an update report on feedback received from external stakeholders regarding the draft strategic plan during the invitation to comment period, 30 September – 2 December 2011.
- Seek Executive Member approval of the final draft Hampshire County Council Arts and Museums strategic plan, 2012-15 (Appendix 1).
- Seek Executive Member approval of the final draft phase 2 organisational delivery proposals for implementation from April/ May 2012 (Appendix 2).

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. On 8 July 2011, the Executive Member gave approval to enter into dialogue with partners and key stakeholders inviting feedback on a draft strategic plan, and to develop detailed proposals regarding future

organisational delivery for consultation with staff and unions in autumn 2011. As emphasised in these reports, this phase of review builds 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 strategic context set out in Executive Member reports regarding Phase 1 dated 8 July 2010, 17 November 2010 and 28 January 2011.
- 2.3. The Arts and Museums review has been undertaken in conjunction with a strategic review of Culture, Communities and Business Services grant schemes (key decision 3096). If approved, the HCC objectives regarding arts and museums outlined in the attached strategic plan will form part of the wider criteria adopted to assess future applications for grant aid.

3. Financial Implications

- 3.1. Phase 1 was approved in November 2010 and dealt with fundamental changes and reductions in the Museums, Libraries and Archives Council (MLA) Renaissance national funding programme. 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 impact 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 further reductions in 2012/13)
- 3.2. The Arts and Museums Service runs 9 community museums in partnership (through a series of Joint Management and Service Level Agreements) with 8 District and Borough Councils and currently 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 Phase 2 proposes to address these partner budget pressures strategically.
- 3.3. During 2011/12, most JMA/ SLA arrangements expire or reach a break clause including: Eastleigh Museum, Gosport Museum, Westbury Manor Museum, Red House Museum, Willis Museum, Aldershot Military Museum and Milestones. Negotiations about these partnerships have been undertaken within this wider framework and progress in relation to these arrangements is summarised in section 7.2.3.

4. Future direction: Phase 2

- 4.1. The draft plan, 2012-15, (appendix 1) presents a strategic framework and key action plan that collectively will enable the Arts and Museums Service to deliver its vision 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 phase 2 organisational delivery proposals (Appendix 2) are:
 - The service will be managed as an integrated arts and museums service
 - It will consist of 3 inter-connected elements: Flagships; Arts and Museums in the Community; Professional Cultural Services. (Appendix 1 outlines the proposed detail of these elements.)
 - Milestones and Chilcomb act as complementary centres of arts and museums operations, with the teams at Milestones leading on visitor services and public programming and at Chilcomb on collections stewardship and exhibition development.
 - A team of volunteers are recruited to help with front-of-house operations at community museum venues, to support sustainability and increase opportunities for community engagement.
 - Further develop long-term income generation potential through placing the service in the best position to secure future external investment and develop a stronger business enterprise model.

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 have also been considered as part of the ongoing options appraisal process. These are outlined in Appendix 3 of this report and have informed 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 final draft plan in Appendix 1 sets out an ambitious and bold approach which, if successful, 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 organisational resilience and public benefit in the medium to long-term.

6. Phase 2 Organisational Review

- 6.1. The strategic approach proposed in this report will result in budget savings being made across a number of function areas.
- 6.2. Detailed proposals for a revised organisational structure to support the strategic approach presented in this report is attached as Appendix 2.
- 6.3. These proposals, incorporating current vacancies, are likely to result in a net 9.21 fte reduction in staffing from 2012/13. The County Council has offered a voluntary redundancy process for staff and it is hoped that, as in Phase 1, most of these reductions will be achieved without the need for compulsory redundancies.
- 6.4. Overall the proposals arising under phase 2 are expected to result in savings of approximately £450,000 from 2012/13 including oncosts; after one off costs arising from implementation have been met. These savings will contribute toward the efficiency savings required from the Arts & Museums Service as a part of the overall budget reductions that are being implemented across HCC and its district and borough council funding partners.

7. Feedback: Strategic Plan and Organisational Review

7.1. Staff and Union Consultation:

- 7.1.1. Staff and unions were invited to comment on the first headline draft of the strategic plan in July – August 2011, and briefing sessions were held in July to which all staff were invited. Formal staff and union consultation commenced regarding the detailed Phase 2 reorganisation proposals on 30 September 2011 with a deadline for feedback of 3 January 2012. Comment was also invited on the second draft of the strategic plan.
- 7.1.2. Although the impact is less significant than Phase 1, at least 44 (32.4 fte) members of staff are affected by the proposals in posts across the Arts and Museums Service (both in terms of geographical and functional areas). Draft proposals and procedures were, therefore, issued to all staff simultaneously across the Museums Service on 30 September and briefing sessions were held, to which all staff were invited, on 4 October 2011. Opportunities for feedback and questions have been provided via email, letter, team meetings, staff Q and A sessions, union representatives and normal line management methods of communication. Answers to generic questions received have been issued to all staff and unions on a regular basis. Regular meetings with union representatives have been offered before and during the consultation period.
- 7.1.3. Extensive and valuable comment has been received from staff teams as well as individual members of staff. Although it must be acknowledged that some staff feedback has challenged certain key principles of the proposed reorganisation and its implementation, much has provided useful practical information which will considerably improve the effectiveness of the planned changes and has been used to shape the final proposals. The

main areas of staff comment together with the management response is summarised in Appendix 4.

- 7.1.4. This continues to be a highly sensitive period for all concerned and the service will continue to maintain a close dialogue with staff. A communications plan is in place to ensure that the consultation and information process is handled as effectively and sensitively as possible. Specific human resources support arrangements are in place and a dialogue with the Trade Unions is being undertaken. A written response has been issued to staff highlighting those areas where adjustments to the proposals or specific responses to comments made will be implemented. This response has been shared with the Trade Unions as part of the overall process.

7.2. External Stakeholder Feedback:

- 7.2.1. A summary of the proposals and copies of the first and second drafts of the strategic plan have been provided on the Hampshire County Council website since July 2011 and arrangements made for public comments to be received up to and including 2 December 2011. Letters were also issued to external stakeholders in July and October 2011 inviting feedback on the first and second drafts of the strategic plan respectively. The second version of this document was informed by feedback received from staff and external stakeholders before the end of August 2011. A list of those contacted is available upon request.

- 7.2.2. The main areas of public and external stakeholder comment received during this period are outlined in Appendix 5.

- 7.2.3. Letters were issued and meetings arranged with all Borough and District Council partners in July-August regarding the first draft strategic plan approved in the Executive Member Report of 8 July 2011. Informed by the outcome of these discussions, this communication with Borough and District Council partners was followed up in late September with correspondence outlining detailed proposals of the Phase 2 reorganisation, including a second draft strategic plan and inviting comment. JMC and officer meetings were arranged to discuss these details and implications in terms of 2012/13 budgeting during the autumn period.

1. Andover Museum, Westbury Manor Museum and Red House Museum JMCs have given provisional support to the volunteer arrangements proposed in version 2 of the draft strategic plan and phase 2 reorganisation proposals, whilst tabling some reservations regarding the viability of recruiting an adequate number of appropriately skilled volunteers. Further budget-setting meetings will be held in January 2012 and will include a presentation of the volunteer recruitment and development proposals prepared by the Service. The Chair of Westbury Manor Museum JMC also outlined the need for a review of provision in Fareham to ensure the long-term sustainability of enabling local people and visitors the opportunity to explore the local history of Fareham. A query was also raised regarding whether any move to enter into a fully integrated merger (FIM) may result in a loss of local

influence in the management of the service. This feedback will be considered as part of the detailed business case and due diligence work associated with the FIM if approved by the Executive Member for Culture and Recreation on 20 January 2012 (see agenda item 6).

2. Rushmoor Borough Council and Basingstoke & Deane Borough Council officers have given provisional support to the volunteer arrangements proposed in version 2 of the draft strategic plan and phase 2 reorganisations proposals, and will confirm SLA funding for 2012/13 imminently.
3. Gosport Museum JMC has given provisional support to the arrangements proposed for Gosport, including SEARCH, in version 2 of the draft strategic plan and phase 2 reorganisation proposals. A further budget-setting meeting will be held in January 2012.
4. Bursledon Windmill JMC has given provisional support to the arrangements proposed in version 2 of the draft strategic plan and phase 2 organisational proposals. Partnership budgets have provisionally been agreed for 2012/13 subject to HCC Executive Member approval of the Strategic Plan and Phase 2 final draft proposals on 20 January 2012. Good progress is being made regarding the community partnership model and the emerging restoration and development project will be a primary focus for the partnership during 2012/13. It has been agreed that the Arts and Museums Service will invest increased learning and community engagement, exhibitions and collections support into Bursledon Windmill during 2012/13 to support this growing partnership.
5. Eastleigh Borough Council has announced their intention to significantly reduce their investment in Eastleigh Museum from £66,750 to £30,000 in 2012/13. The Borough Council has informed us that this reduction is an outcome of the need to increase investment in other services in Eastleigh Town that have been affected by a reduction in partnership funding. The scale of this reduction renders the original Phase 2 proposals financially unviable. The JMC is currently considering 3 potential options for the future:
 - a. Inviting a community group to undertake the front-of-house operations at Eastleigh Museum with ongoing professional exhibitions, learning, collections and marketing support provided by Hampshire Arts and Museums Service
 - b. Developing a connected arts and heritage hub where visitors can find out about Eastleigh's rich history and where artists based in Eastleigh can showcase their work and gain access to market.
 - c. Develop a health and wellbeing heritage hub where a partnership is developed between a health and wellbeing community organisation(s) and Hampshire Arts and Museums Service

The Eastleigh Museum JMC will meet again in late January 2012 to come to a view on whether any of these options are possible and to consider the best course of action. A separate and specific report will be compiled at that time and brought to the Executive Member for a decision concerning the future of the museum.

- 7.2.4. Meetings have been offered to all Friends groups and have, to date, taken place with the Friends of Gosport Museum, Willis Museum, Red House Museum, Eastleigh Museum and Andover Museum, and with the Hampshire Museums and Galleries Trust. At the time of writing further meetings have been organised in January.
- 7.2.5. The responses and contributions received during the consultation process have been very constructive and helpful. The County Council will remain open to ongoing suggestions and approaches aimed at meeting the key elements of the strategic plan.

8. Wider Transformation

- 8.1. As reported in the 8 March and 8 July 2011 reports, HCC Arts and Museums Service is 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 – the Fully Integrated Merger project (FIM). This work is the subject of a separate Executive Member report being presented at the 20 January 2012 Decision Day (see agenda item 6). Phase 2 proposals for organisational delivery are not affected by this outcome, and if a recommendation is made to pursue this initiative, it is likely to be fully implemented in 2013/14.
- 8.2. The MLA Renaissance transition programme for 11/12 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 between the potential FIM members and the Mary Rose Trust, National Motor Museum Beaulieu and Portsmouth City Council. A number of collaborative projects have been established to promote joint working and seek efficiencies in delivery.
- 8.3. In October 2011, following the Government's decision to abolish the MLA, the Arts Council took over management of the Renaissance museums funding programme from 2012/13 onwards. In September 2011, they announced the first strand of their new Renaissance scheme, the Major Grants programme. Applications were invited in accordance with an open bidding process and set criteria for eligibility. These criteria included minimum audience numbers, range of subject matter and national Designation status of collections, and financial resilience of organisation. The Hampshire-Solent Alliance submitted an application in November 2011, as a consortium, for £5.2 million over 3 years to support the development of a strong museums sector in this area. The Arts Council will be announcing its decisions from a highly competitive process at the end of January 2012. Hampshire County Council is the Lead Applicant in

this bid and Executive Member approval was given at the Decision Day on 4 November 2011. Phase 2 proposals for organisational delivery are not affected by this outcome but will form a strong platform upon which successful delivery would be based.

9. Provisional Timetable

9.1. The provisional timetable for Phase 2 is anticipated as follows:

Jan 2012: EM Decision regarding draft strategic plan and implementation of Phase 2 organisational review.

Arts Council England decision regarding Major Grants Application by Hampshire Solent Alliance.

Feb – April 2012: Prepare for implementation of Phase 2 reorganisation, including the recruitment of volunteers to help delivery of community museum venues. Communication of strategic plan to staff, HCC and external stakeholders.

May 2012: Full implementation of Phase 2 reorganisation.

10. Recommendation(s)

That the Executive Member for Culture and Recreation:

- 10.1. Acknowledges the feedback received about the draft strategic plan and phase 2 detailed proposals for organisational delivery during the staff and union consultation period, 30 September 2011 - 3 January 2012.
- 10.2. Welcomes the feedback received from external stakeholders regarding the draft strategic plan (30 September – 2 December 2011) and underlines the openness of Hampshire County Council to ongoing suggestions and joint working in terms of delivering the key elements of the plan.
- 10.3. Approves the final draft Hampshire County Council Arts and Museums strategic plan, 2012-15 (Appendix 1).
- 10.4. Approves the final draft phase 2 organisational delivery proposals for full implementation from May 2012 (Appendix 2).
- 10.5. Notes progress made concerning planned funding reduction at Eastleigh Museum and the intention for a further specific report to be brought for decision following consideration by the local Joint Management Committee (JMC)

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

Hampshire safer and more secure for all:	yes
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
Hampshire Arts and Museums Service – Planning for the Future	2994	08/07/2011
Hampshire Arts and Museums Service – Planning for the Future	3374	04/11/2011
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:

3. Equalities Impact Assessment:

AGE AND DISADVANTAGED PEOPLE

NEGATIVE: Reductions in staffing levels at SEARCH in Gosport will have a negative impact on the number of sessions provided for school groups, reminiscence sessions for elderly people and holiday activities for families. It will also have an impact on targeted work with schools that have significant numbers of children from disadvantaged backgrounds.

Reduction in front-of-house staffing at all community museums will have an impact on the number and quality of holiday activities provided for families.

To manage these issues, the following actions will be undertaken:

Touring Exhibition and Interventions Programme (including 2012 Olympics and You and 2014 anniversaries) to be developed for community museums.

The Alliance 'Waking the Sleeping Giant' project to develop a touring exhibitions programme at alternative, flagship venues and joint schools education planning and marketing.

Vision for an integrated teaching and learning resource at SEARCH to be developed.

Community Museum Welcome Host Volunteer partnerships to be developed.

More integrated arts and museums offer to be developed for young people.

POSITIVE: The increase in opportunities for volunteering in the community museums will benefit young people and older people by providing greater scope for getting involved in community activity leading to improved health and well-being and supporting development of skills for employment

4. Impact on Crime and Disorder:

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.

5. Climate Change:

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