

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Culture and Recreation
<b>Date:</b>	14 May 2012
<b>Title:</b>	Hampshire Arts and Museums Service – Towards a Fully Integrated Merger with Southampton City Council and Winchester City Council (museums)
<b>Reference:</b>	3824
<b>Report From:</b>	Director of Culture, Communities and Business Services

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### 1. Executive Summary

1.1. The purpose of this paper is to:

- Provide an update report on progress with the Fully Integrated Merger (FIM) Project
- Ask for approval to enter into public consultation regarding the general principle of establishing a charitable company limited by guarantee to deliver arts, museums and heritage services for the 3 partner authorities.

### 2. Background Context

2.1 The establishment of an integrated organisation to deliver a range of arts, museums and heritage provision currently provided by the Hampshire, Southampton and Winchester local authorities has the potential to fundamentally transform the individual resilience of these services in the future economic climate.

2.2 Over the last 18 months, work has been undertaken in partnership with Southampton City Council, Winchester City Council (and Portsmouth City Council at an early scoping stage only) to investigate this option. From a business resilience perspective the following potential benefits have been identified:

- **Raise the profile**, quality and standing of greater Hampshire's arts and heritage by promoting its collective national and international

importance, and increased access to major regional, national and international exhibitions and installations

- **Increase audiences and income** by improving the quality of public offer through an integrated approach to planning and delivery of exhibitions, learning and marketing (compared to post 2011/12 standalone outcomes)
- **Minimise the impact of savings** required from all partner local authorities and maintaining national standards of Accreditation by finding efficiencies through integrated strategic management and delivery of public programmes and collections stewardship
- **Attract external investment** from public and private funding sources through its national profile,, ambition and emphasis on collective transformation and innovation
- **Enhance opportunities for business enterprise** through enabling flexibility and increasing confidence to seize new opportunities. The traditional and new areas of commercial activity, including product licensing, will benefit from economies of scale and enhanced negotiating power in areas of specialist procurement

2.3 On 20 January 2012, the Executive Member for Culture and Recreation approved the development of a detailed business case for establishing a charitable company limited by guarantee. It is intended that this business case will be prepared to inform a decision regarding whether to proceed by the 3 partner authorities in late 2012.

2.4 To inform this business case, it is proposed that a targeted public consultation exercise is undertaken regarding the general principle of establishing a charitable company limited by guarantee to deliver arts, museums and heritage services for the 3 partner authorities.

2.5 A Project Board has been established to lead on development of the detailed business case, consisting of senior officers from the 3 partner authorities, supported by a Project Team consisting of the respective heads of services.

2.6 Specialist business change and external public consultation expertise is being appointed during April/ May to support the above work.

### **3. Public Consultation**

3.1 There are 3 key audiences proposed within the public consultation work stream:

- Our customers – both those who visit and current non-users
- Our stakeholders - funders, suppliers and strategic partners
- Our workforce – paid and voluntary

- 3.2 We are currently proposing to engage representatives from each of these audiences in considering an overarching question –
- “how can the proposed service best be developed to meet your needs and exceed your expectations?”***
- 3.3 Our consultation programme will be finalised with the successful appointed specialist in late May, and areas of interest are likely to include:
- Public value and perception of current services – strengths and areas for potential improvement
  - Testing responses to the emerging vision for the FIM
  - Perceived benefits, opportunities and risks of an integrated service
  - Identifying potential advocates and champions
- 3.4 The methodologies, language and themes applied for each of the 3 target audiences will vary slightly, and will be developed in partnership with the external public consultation expertise appointed:
- 3.4.1 Our Customers: a qualitative and quantitative approach will be adopted that is likely to incorporate online and in-venue questionnaires plus cluster/ focus groups with representatives in 3 geographic locations: Basingstoke; Southampton and Winchester.
- 3.4.2 Our Stakeholders: a primarily qualitative approach will be adopted that is likely to incorporate telephone interviews and/ or workshop sessions with invited representatives in 3 geographic locations: Basingstoke; Southampton and Winchester.
- 3.4.3 Our Workforce: Initial workshops and visioning activity has been undertaken with staff from the 3 partner authorities during the earlier stages of the FIM Project. The following methodology is therefore proposed:
- Representatives of staff to lead on operational workstreams that will contribute to the detailed business case: e.g. exhibitions; learning; collections; commercial enterprise
  - Workshops in June and September engaging wider staff and volunteer community in the outputs of these operational workstreams, building upon previous visioning work
- 3.5 The scope of this initial public consultation exercise does not include proposals for operational structure of the new FIM. Options for structures will be developed as part of the detailed business case work, and the preferred option will be the subject of specific staff and union consultation in 2013 if a decision is made to proceed.
- 4. Financial Implications**
- 4.1 External expertise from the cultural business sector has estimated that the total revenue budget involved in the development of a detailed business

case for establishing a charitable company limited by guarantee are in the region of £80,000.

- 4.2 Arts Council England has recently awarded Hampshire County Council Renaissance Transition funding to support this work and to contribute towards implementation costs during 2012/13 if a decision is made to proceed later this year.

## **5. Provisional Timetable**

- 5.1 The timetable is currently anticipated as follows although it may change in terms of detail as the detailed business case and due diligence stage progresses and should be regarded as provisional.

Jan 2012: EM Decision regarding preferred option to undertake detailed business case and due diligence

Feb-May 2012: FIM Project Board established and procurement of business case and public consultation external specialists undertaken

May 2012: EM Update report seeking approval to undertake public consultation to inform development of detailed business case

May-September 2012: Detailed business case analysis undertaken regarding IT, HR, Finance, Legal, Property, Operational and other relevant workstreams

June-August 2012: Public consultation undertaken to inform business case development, including Culture, Communities and Rural Affairs Select Committee presentation

Autumn 2012: Culture, Communities and Rural Affairs Select Committee review of detailed business case and outcome of public consultation

Late 2012: Decision by 3 local authority partners on whether to proceed with establishing a FIM organisation/ to proceed with implementing a charitable company limited by guarantee governance model

By Summer 2013: Establish new FIM charitable company, appoint trustees and officer leadership and arrange transfer of staff

## **6. Recommendation(s)**

That the Executive Member for Culture and Recreation:

- Notes the update report on progress with the Fully Integrated Merger (FIM) Project
- Approves entering into public consultation regarding the general principle of establishing a charitable company limited by guarantee to deliver arts, museums and heritage services for the 3 partner authorities.

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

<b>Hampshire safer and more secure for all:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<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
Hampshire Arts and Museums Service – Planning for the Future	3374	20/01/12
Hampshire Arts and Museums Service – Towards a Fully Integrated Merger with Southampton City Council and Winchester City Council (museums)		20/01/12
<b>Direct links to specific legislation or Government Directives</b>		
<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.)**

Document

Location

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1 The public consultation exercise outlined in this report is part of our work towards completion of an Equalities Impact Assessment during the detailed business case and due diligence stage for presentation with final recommendations in late 2012

### **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:**

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