

HAMPSHIRE COUNTY COUNCIL

Report

Committee:	Culture, Communities and Rural Affairs Select Committee		
Date:	21 June 2012		
Title:	Hampshire Arts and Museums Service – Towards a Fully Integrated Merger with Southampton City Council (arts and heritage) and Winchester City Council (museums)		
Reference:	4053		
Report From:	Director of Culture, Communities and Rural Affairs		
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1. Executive Summary

1.1. The purpose of this report and associated presentation is to:

- To update Select Committee members on work now underway in developing the business case in support of the proposal to establish a charitable company limited by guarantee in partnership with Southampton City Council and Winchester City Council to deliver arts, museums and heritage services.
- Provide an opportunity to discuss the proposal with a representative from Arts Council England (ACE) in relation to the wider national strategic context.
- Confirm how best to involve the Select Committee while developing the detailed business case and plan during July-November 2012.

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 2012/13 standalone outcomes)
 - **Minimise the impact of further budget reductions** 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, charitable status, 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, Culture and Recreation approved the development of a detailed business case for establishing a charitable company limited by guarantee. This business case is now being prepared to inform a decision regarding whether to proceed by the 3 partner authorities in late 2012.
- 2.4 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.
- 2.5 Specialist business change and external public consultation expertise has been appointed to support the above work. Detailed legal advice will be supplied at relevant stages in the process by Hampshire County Council with commissioned specialist input as required.
- 2.6 On 14 May 2012, The Executive Member, Culture and Recreation approved a targeted public consultation exercise to inform the business case. In advance of this decision, a report was brought to the Select Committee on 26 April 2012 outlining further details of the public consultation programme.

3. Developing the Business Case and Plan

- 3.1 Focus Consultants LLP are leading on the delivery of a number of central support service workstreams feeding into the overall business case and plan, including Finance, HR, IT, Property, Risk Management, Insurance and Legal. Each of these workstreams are scoping current arrangements and resourcing and will identify options for future delivery within a new FIM charitable company. This work is taking place during the period May-September 2012.
- 3.2 Focus is also coordinating the work of arts, museums and heritage staff across the 3 partner authorities delivering the operational workstream. This involves scoping current service provision and undertaking initial forward planning work in the key operational areas of collections, exhibitions, community engagement and learning, venues management, marketing, commercial activity and workforce development.
- 3.3 As part of the full business case prepared by October 2012, a detailed and costed implementation plan and initial business plan will be prepared based on proposed contributions from each of the 3 partner authorities.

4. Public Consultation

- 4.1 The public consultation activity outlined in the 26 April Select Committee report is now underway and will be completed by the end of September 2012 and will inform the business case proposals
- 4.2 Questionnaires have been distributed to arts and museum venues and also to selected libraries with an invitation for visitors to complete it during their visit. Interviews will take place with individual customers at Milestones, SeaCity Museum and Southampton City Art Gallery. Group interviews with users and lapsed users will be held at Winchester Discovery Centre, West End Arts Centre and Gosport Discovery Centre. Non-user individual interviews will also take place in other locations in Hampshire.
- 4.3 External stakeholders will also be sent a link to an online version of the questionnaire and a covering letter welcoming their feedback. Individual interviews will also take place with 19 selected external stakeholders, representing a range of different sector interests across the 3 authorities.
- 4.4 The final draft business case and associated planning documentation will be available in October 2012 and will be the subject of a report to Select Committee in November 2012, in advance of a decision by the Executive Member Culture and Recreation in December 2012.

5. Select Committee Presentation 21 June 2012

- 5.1 The presentation on 21 June will provide a:
- a) Brief outline of the public consultation approach.
 - b) Summary of key learning opportunities from similar models elsewhere in the cultural sector.
 - c) Overview of the evolving national strategic context within which the FIM proposition is being considered. This will be delivered by Jayne Tyler, Senior Manager Funding Programmes, Arts Council England (ACE). ACE are generously providing grant aid under the Renaissance programme to support the development costs associated with the business case.
 - d) Invite initial feedback and questions and discuss how best to involve the Select Committee while developing the business case during the July-November 2012 period.
- 5.2 The June presentation will not provide detailed information about the FIM business case as this will still be work in progress until the autumn. It will however be the subject of the November Select Committee presentation prior to any final decision by the Executive Member.

6. Financial Implications

- 6.1 External expertise from the cultural business sector has estimated that the total 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. The costs of implementation will be identified as part of the detailed business case and planning work currently underway.
- 6.2 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. All the costs identified above will be met from this funding.

7. Provisional Timetable

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

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

June-September 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 commence making arrangements for transfer of staff

8. Recommendation

- 8.1 That the Select Committee supports the current business plan and consultation process and identifies the best way in which Members would wish to continue their involvement prior to the Key Decision later in the year.

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
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
Hampshire Arts and Museums Service – Towards a Fully Integrated Merger with Southampton City Council and Winchester City Council (museums)		14/05/12
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.)

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:

- 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