

Hampshire Solent Cultural Trust

Bolder, Stronger, Resilient



Hampshire Solent Cultural Trust

Select Committee presentation – 10 Sept 2013

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The journey to date

2010 – initial scoping exercise and vision

2011 – outline business case and legal advice

2012 – public and stakeholder dialogue on Trust proposal

- staff input to draft 5 year business plan

- learning from elsewhere

- research into corporate sponsors & philanthropy

- commenced detailed business case work

2013 – detailed business case developed

Staff and trade union engagement throughout

Arts Council England investment throughout

Why do this? - a Resilient Hampshire Solent Cultural sector

- The best available option to sustain valued services to the public in the face of major reductions to public funding (already faced museums reductions of 40%)
- To maximise the benefit of collaboration and the freedom of a properly supported Trust to maximise both inwards investment and the resilience of the sector (potential for income of £500,000 per annum by 2020)
- Build on the strong legacy of local authority investment and underpin current success attracted by this new approach (£2 million over the last 4 years)
- Ambition to deliver a strong brand and vision based upon a great cultural offer and strong public programming to underpin it e.g. Big Theme programmes and ambition to position the Hampshire Solent offer in the U.K. Top Ten cultural destinations by 2020
- To develop a Hampshire Solent Cultural Partnership, facilitated by the Trust, to steer the above projects and work collaboratively on future strategic initiatives e.g. cultural regeneration; tourism; and the creative economy

What does 'do nothing' look like?

- £460,000 of savings required (using same financial model assumptions)
Few options available to realise them following previous cuts.
- Leadership capacity and skills required for strategic partnership working and fundraising would reduce dramatically
- Decision required whether to prioritise community arts and museums venues or flagship programmes
- Decision required whether collections stewardship is stopped
- Reduction in programme budgets would affect quality of programmes and ability to match fund grant applications
- Likely closure of venues, mothballing of services and staff reductions would roll out as savings targets were confirmed
- Ability to secure National Accreditation standards and grant funding fundamentally impaired
- Loss of partnership investment to Hampshire and reputational damage

What does a Trust with Winchester look like?

- Shared skills, resources and collections with Winchester (and potentially wider partners) giving an improved 'offer'
- Best opportunity to safeguard levels of service and facilitate growth (e.g. 15% increase in visitors and earned income over 5 years)
- Best opportunity to safeguard skills and jobs (100 ftes)
- Improved collections care retaining national accreditation
- Reserves of £400,000 established by year 5
- 90% staff satisfaction by year 5
- £460,000 saving per annum for HCC from year 5 (18%)
- Stronger Hampshire Solent Cultural Sector with the combined capacity to achieve the vision

Wider Benefits of a Charitable Company

- Financial efficiency (including tax efficiencies, increased enterprise opportunities, external investment)
- New sources of expertise and resources engaged in running services: Trustees' skills from wider local and national business, community, cultural and education interests
- Delivery of a vision and ambition across geographical boundaries and engaging other partners
- More options available for addressing local authority budget reductions than remaining as an in-house service
- Support in early years of business to secure long-term resilience and commitment to long term management agreements by funding partners (25 year leases and agreements)

Staff engagement

- Staff from Hampshire County Council Arts and Museums (and its partners) have been involved in scoping and visioning workshops since 2010
- During the detailed business case (2012-13) stage, staff and unions have been briefed at regular intervals on progress and invited to comment
- During summer 2012, staff participated in developing a draft 5 year programme for the Trust
- Main staff comment areas include:
 - Opportunities for the arts within the Trust
 - HR implications for staff, including terms and conditions, pension arrangements, period of consultation etc.
 - District and Borough Council responses to the proposals and the needs of community arts and museum venues
 - Financial resilience of the Trust
 - Public and stakeholder responses to the proposals

Public & stakeholder engagement

Methodology:

- A self-completion survey with venue users, County-wide (1600)
- Interviewer administered survey with non-visitors (105)
- A self-completion survey, telephone interviews and focus groups with external stakeholders, County-wide (110)
- Focus groups and on-site interviews with service users (Aldershot, Winchester, Gosport, New Milton, Basingstoke & Southampton)(60)

At the HCC Culture, Communities & Rural Affairs Select Committee in June 2012, an ACE spokesperson commented that '**this is an innovative public engagement conversation for a Local Authority moving to Trust status**'

Public & stakeholder engagement

Results:

- Users and non-users value arts and heritage services
- Better to “*do something than nothing*” in current economic climate
- Want shared, modern resources delivering a dynamic 21st century service, particularly for digital & marketing areas
- Will want to understand the detail
- Ready to trust the recommendation of professionals
- Value local identity, variety and difference
- New vision and decisive leadership required

Stakeholder conversations will continue in the implementation stage, particularly with the wider Hampshire cultural sector

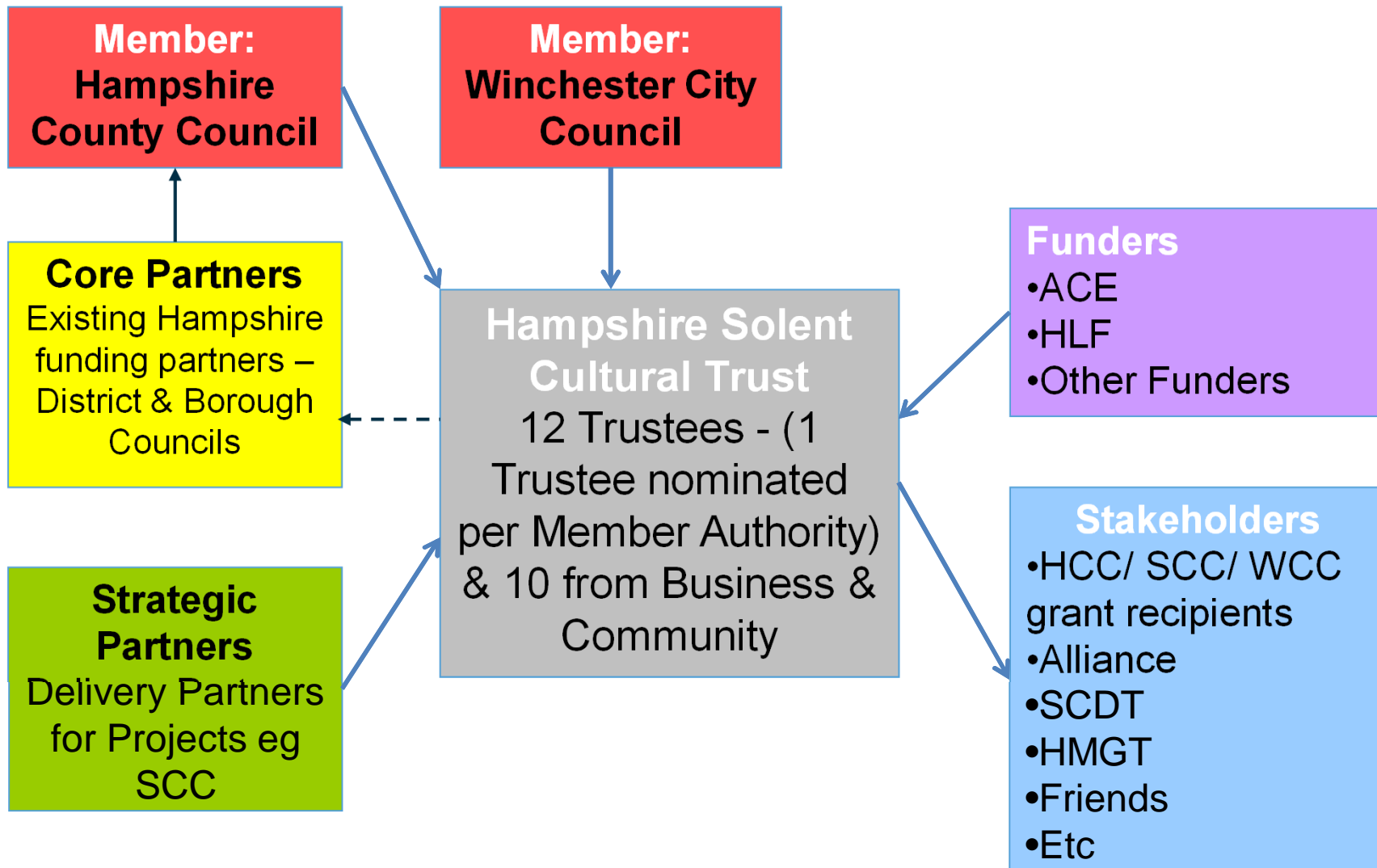
District and Borough Council Partners

- Consultation with cultural officers in partner organisations throughout process
- JMCs briefed on progress throughout, including consideration of initial Trust proposals in Autumn 2012 and Spring 2013
- Executive Member offered to meet with relevant members of partner organisations
- Main comments:
 - Most have in principle interest in the Trust proposals and recognise that something needs to be done
 - All need to understand the detailed financial and service level considerations available during the implementation stage before making a final recommendation
- Stakeholder dialogue included representatives from district and borough council partners

Key Risks and Mitigation

Risk summary	Mitigation
Financial failure of Trust <ul style="list-style-type: none">• Underachievement of visitor/income targets• Continued investment from funding partners• competition impacting on external investment	Governance proposals and founding partner support and monitoring. The Trust will be able to anticipate cash flow issues or budget pressures and put mitigation strategies in place to ensure balanced budget. As a last resort there is an exit strategy if required.
Lack of strong leadership	Governance proposals & robust recruitment plan
Loss of influence and local voice	<ul style="list-style-type: none">• HCC nominated trustee and officer observer• Annual Advisory Group – brings all funding partners together• JMC arrangements continue for DC/BC partnerships – up to 4 specific meetings pa• Local brand continues

Diagram to show governance arrangements for Hampshire Solent Cultural Trust.



Next Steps and Timetable

- Sept – Nov 2013: Decision by HCC and WCC to proceed in principle, including entering into partnership agreement
- Nov 13 – Feb 14: Establish charitable company and consult with staff, unions and funding partners
- March 2014: Decision to transfer staff, services and resources (lease for property and collections) to Trust
- Summer 2014: Transfer to Trust
- Up to Summer 15: Transition
 - Recruit Full-term Chair and Board
 - Recruit Chief Executive
- December 15: Handover between interim and full-term Board and Executive completed