

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Executive Member for Culture, Recreation and Countryside
Date:	25 September 2013
Title:	Hampshire Arts and Museums Service – Towards a Fully Integrated Merger with Winchester City Council (museums), establishing a Hampshire Solent Cultural Trust
Reference:	3637
Report From:	Director of Culture, Communities and Business Services

Contact name: Janet Owen

Tel: 01962 826704

Email: janet.owen@hants.gov.uk

1. The decision:

- a) That the Executive Member for Culture, Recreation and Countryside approves the following recommendations:
- Fully supports the direction of travel and next steps, as set out in the report, to establish the Hampshire Solent Cultural Trust (working title) in partnership with Winchester City Council as per the governance framework summarised in this report and detailed in the Business Case (appendix 1), and enter into a partnership agreement with Winchester City Council.
 - Agree in principle to transfer the services and funding for the Hampshire County Council Arts and Museums Service to the new Trust, according to arrangements as outlined in a partnership agreement (appendix 2).
 - Agree in principle to loan Hampshire County Council's museum collections to the new Trust, and for the ownership of new Hampshire-focused acquisitions to be held in trust by the new Trust on behalf of Hampshire County Council.
 - To create an 18 month interim Trust Executive Officer post (initially a secondment from Hampshire County Council/ Winchester City Council) to commence from 1 January 2014 in order to manage establishment of the Trust. An open recruitment competition to secure a long-term Chief Executive is proposed to succeed this interim role.
 - To formally consult with affected staff and unions regarding the details of the proposed transfer to the Trust.

- To formally consult with district and borough funding partners regarding the details of the proposed transfer to the Trust, including funding arrangements.
- To consider a final decision report regarding transfer of services to the Trust in March 2014, informed by progress during the implementation phase regarding governance, finance and staff/ union consultation.
- Authorise any other steps be taken that are reasonably necessary in order to implement the above objectives/ recommendations.
- The development of a detailed financial plan that models a range of potentially increased or decreased income projections in the early years of the Trust.
- Scoping the arrangements and potential for the future development of the Trust with particular emphasis on relationships with fellow local authorities.
- Support from the Director of CCBS to the Interim Board in developing an appropriate marketing and branding strategy to support this direction of travel including the final naming of the organisation.
- Confirm the detailed governance and representation arrangements between the County Council and the Trust which clearly sets out the links to County Council members at both a strategic and local level.

b) That the Executive Member recommends the following for approval in principle by the Policy and Resources Executive Member:

- Hampshire County Council corporately provides central support services to the Trust as part of a grant agreement to the value of up to £578,000 (current cost of services provided is £583,000). As the County Council continues to improve the efficiency of delivering these services, generally and in liaison with the Trust, the cost corporately to Hampshire County Council of this grant provision will decrease over time. This arrangement is 'cost neutral' to the Trust.
- Property would be leased/ sub-leased/ licensed, as appropriate, under long-term arrangements where feasible, with the minimum unexpired term at any time being 25 years so as to support external grant applications by both the Trust and Hampshire County Council.
- Hampshire County Council would manage property repair and maintenance in consultation with the Trust. The County Council would continue to bear insurance risk for the properties and collections where this falls under the corporate self-insurance regime.

2. Reason(s) for the decision:

2.1 For the Executive member for Culture, Recreation and Countryside to make a decision about proceeding with the development of a charitable company limited by guarantee (working title Hampshire Solent Cultural Trust) to run

the arts and museum services currently delivered by Hampshire County Council.

- 2.2 The creation of a new Trust with the merger of Winchester City Council Museum service provides the greatest possible long term resilience against the anticipated financial climate as the Trust would have new revenue funding streams, including Tax relief, external grants and philanthropic donations.

3. Other options considered and rejected:

- 3.1 An initial review of governance options identified the charitable company limited by guarantee as the preferred model, and in January 2012, three partner authorities (including Southampton City Council) approved preparation of this detailed business case to test the preferred option. Arts Council England (and its predecessor, Museums, Libraries Archives) has provided strategic and funding support throughout this process.
- 3.2 The business analysis considered 3 options for a trust both with and without Southampton City Council:
 - A. **A Fully Integrated Merger of the 3 partner authorities into a Hampshire Solent Cultural Trust**, working in strategic partnership with the wider cultural heritage sector
 - B. **A Partially Integrated Merger of the 3 partner authorities into a Hampshire Solent Cultural Trust**, working in strategic partnership with the wider cultural heritage sector
 - C. **A Fully Integrated Merger of Hampshire County Council Arts and Museums and Winchester City Council Museums into a Hampshire Solent Cultural Trust**, working in strategic partnership with the wider cultural heritage sector

The above options have been compared with each Arts, Museums and Heritage Service remaining as a separate local authority service.

- 3.3 During the development of the outline and detailed Business case, Southampton City Council has withdrawn from a potential merger of cultural services and the decision report recommends Option C above, a **fully integrated merger of Hampshire County Council Arts and Museums and Winchester City Council Museums Service**, working in strategic partnership with the wider cultural heritage sector.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:
None.

4.2. Conflicts of interest declared by other Executive Members consulted:
None.

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

In making this decision I wish to make it crystal clear that while some authorities have reduced or abandoned these services in the face of major financial challenges, Hampshire County Council will not do so. This decision clearly demonstrates a long term commitment by the County Council to support the creation and development of a charitable organisation best able to secure inwards investment in these valued services for the public.

In particular it represents a re-positioning of the Arts and Museum Service to take full advantage of the national and regional funding context surrounding support and investment for the sector. It is focused upon a new and dynamic approach to how we sustain and indeed improve the cultural offer right across Hampshire and as such is ambitious and not defeatist. It is my firm belief that this is completely the right direction of travel, building as it does on a strong legacy of investment together with the strengths of proven collaboration and innovation so important to success within the current funding climate.

I have far too much respect for my predecessors to allow that legacy of collections and cultural provision to be wasted. I commend all those members from all parties who have contributed to and supported the development of that legacy over many years and would wish to reassure them that this is the best course to take.

I could choose to avoid taking this difficult decision and allow such services to decline in the face of steeply reducing finances. My view is that this would result in untold damages to them and would represent a dereliction of duty on my behalf. In moving forward with this decision I fully acknowledge that we now need to focus hard on the key success factors required to make the Trust work well. Consequently between now and the Spring of next year we will be working hard on the next steps identified in the report to get a great start for the Trust by continuing discussions with our staff, Key partners such as the Boroughs and Districts, as well as getting the best people to establish and lead the organisation.

Approved by:

Date:

25 September 2013

**Executive Member for Culture, Recreation and
Countryside
Councillor Keith Chapman**