

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

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| Decision Maker: | Executive Member for Income and Capital Receipts |
| Date: | 24 July 2014 |
| Title: | Transfer of the Arts and Museums Service to the Hampshire Cultural Trust |
| Reference: | 5860 |
| Report From: | Director of Culture, Communities and Business Services |

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1. The decision:

1.1 It is recommended that the Executive Member for Policy & Resources notes the decision taken by the Executive Member for Culture & Recreation at the decision day on 3 July 2014 and approves the following actions:

- Notes the detailed financial assessment work undertaken to validate the original business case and the small improvement identified in this report (Appendix 5)
- Acknowledges the financial risks faced by the Trust and efforts to manage them appropriately including agreement that the County Council will consider the impacts of inflation when agreeing the level of on-going financial support for the Trust
- The transfer of staff to the Hampshire Cultural Trust through TUPE regulations and a closed LGPS pass-through agreement
- The loan of Hampshire County Council's museum collections to the 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
- The alteration to the break clause provision in the generic lease, to align the Trust's break clause with the Management and Funding Agreement and Collection Loan Agreement.
- The variations to the terms of the generic lease to be incorporated in the bespoke, site specific leases as detailed in the schedule at Appendix 6.
- Agree the transfer of other assets to the Trust for the operational management of the service and properties (furniture and fittings etc).

- Authorises the Director of Culture, Communities and Business Services and Director of Corporate Resources to undertake any other steps that are reasonably required to finalise and implement the above recommendations including settling the final terms of the various agreements referred to above.

2. Reason(s) for the decision:

- 2.1 For the Executive Member for Policy and Resources to make a decision about proceeding with the development of a charitable company limited by guarantee (Hampshire 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 were compared with each Arts, Museums and Heritage Service remaining as a separate local authority service.

