

CABINET

**Museums Service
14th February 2012**

Report of Head of Community Engagement

PURPOSE OF REPORT			
To update members on review of Museums Partnership and agree future management responsibilities.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	August 2011		
This report is public			

RECOMMENDATIONS OF COUNCILLOR SANDS

- (1) That the City Council continues with the existing partnership agreement with Lancashire County Council for a further year in order to continue ongoing dialogue aimed at developing a new shared service arrangement for the museums service in the district .
- (2) That further reports are brought back to members during 2012/13 presenting more detailed information that will form the basis of the new arrangements prior to their implementation.

1.0 Introduction

- 1.1 Lancaster City Museum is housed in the late 18th century Old Town Hall, a Grade II* listed building in Market Square, Lancaster. It opened as the town's Museum and Art Gallery in 1923. In addition to the museum the two ground floor galleries host an annual programme of temporary exhibitions ranging from local artists and societies to commemorating significant events and anniversaries. The City Museum is open six days per week closing on Sunday. It has free admission to all.
- 1.2 Since 1929 the King's Own Regiment collection has also been located within the City Museum.
- 1.3 Lancaster Maritime Museum is situated in two buildings on St George's Quay. The first, opened in 1985. Displays explore Lancaster's maritime past, Morecambe Bay and Morecambe itself. The Maritime Museum is open 7 days a week and is free to local residents and charges £3 to non residents, £2 concessions and accompanied children are free.

- 1.4 The Cottage Museum is in the conservation area on Castle Hill by the Castle gateway. This small 18th century cottage is spread over five floors and offers an insight into Victorian life. Admission charges are adults £1, concessions 75p accompanied children free.
- 1.5 The Museums Service, managed by Lancashire County Council, in Lancaster has, since 2003, been the subject of a Partnership Agreement between Lancashire County Council and Lancaster City Council. The establishment of the Museums Service Partnership Agreement came about as a result of deliberations for 2003/2004.
- 1.6 Lancaster City Council funds the management of these three museum's heritage attractions in Lancaster. Two others, not funded by the City Council, are part of Lancaster Castle and the Judges' Lodgings Museum.
- 1.7 The City Council own and have maintenance responsibilities for Lancaster City Museum, Lancaster Maritime Museum and the Cottage Museum. All the collections prior to the Museums agreement and those collected on behalf of the City after that agreement, belong to Lancaster City Council. All Museum staff that previously worked for Lancaster City Council were transferred to Lancashire County Council in April 2003.
- 1.8 Cabinet, at a meeting on 19 January 2010, resolved that:

Lancashire County Council be issued with 24 months notice to terminate the Museums Partnership Agreement from 1 April 2010 (i.e. to be implemented after 31 March 2012), and that officers of the City Council, over the ensuing period, examine options of future service provision, whilst examining cost savings. (Min No 113 refers).

2.0 Proposal details

- 2.1 Over the past twelve months officers from the City Council have met with County Council officers to review the effectiveness of the partnership and understand the allocation of costs. It is clear that the partnership was in need of a refresh and a joint officer working group has worked together to understand the operation of the Service and good working relationships have been established.
- 2.2 The Museum building's profile, visibility and accessibility is currently diminished by a cluttered streetscape, undesirable use of its front steps as casual seating and anti-social behaviour. It is anticipated that the Square Routes proposals will go some way to improving the perception and operation of the City Museum and that in due course the Museum will both influence and become an integral part of the cultural offer in the Square.
- 2.3 The recent initial Square Routes project and accompanying lighting to the museum portico provide just one small example of how the City Museum could integrate better with the new space being provided within Market Square. There are significant opportunities to engage with partner organisations and the successful street markets to help raise both the profile of the museum and also the level of interest within the city centre.

- 2.4 A revitalised City museum would take its place within a growing cultural offer in the centre of Lancaster that includes the existing museums, the Square Routes project and, possibly, the Castle. From discussions with the chief executive of the Duchy of Lancaster it is understood that a feasibility study on the future of the castle is planned and which will report in 2014. Bearing in mind the potential complexity of development at the Castle (due particularly to its long-term use as HMP Lancaster and its Listed status) it is unlikely that development would be completed much before 2019, thus giving the City Museum a seven year window before the Castle comes on-stream. It should be noted that the future use of the Castle is not known.
- 2.5 A stakeholder workshop undertaken by consultants on 26th May 2011 sought views from staff, Friends Groups and interested parties alike on the current operation of the museums and how they may look in the future. Consensus was reached that the City Museum needed to review the way it presented its exhibited material, with a greater emphasis being placed on modern methods of interpretation. This was reinforced by the recognition that space in the City Museum is at a premium. In this sense, 'modern thinking' was seen as using a thematic rather than a chronological approach to interpretation incorporating techniques that, as far as possible, are immersive and chosen from a palette of multi-media approaches which will appeal to a wide range of visitors of all ages.
- 2.6 There was further agreement that 'modern' museums made significant investment in branding and public relations to raise their profile. In this regard it is felt the City Museum does not have a strong identity nor does it market itself sufficiently and, as a result, is probably not the first port of call for visitors to the city.
- 2.7 The future of Maritime and City Museums were seen as being all-year attractions, museums rather than a wider 'cultural centres' that needed to balance their social role as an educational and community resource and visitor attraction with a greater emphasis on a commercial approach.
- 2.8 The 2011/12 net general fund revenue budget for the Lancaster Museums Partnership is £724.2K, of which £549K covers the annual management fee paid to Lancashire County Council, allocated £250.9K City Museum, £28.3K King's Own Museum, £265.3K Maritime Museum and £4.5K Cottage Museum based on information provided by County during the review. It should be noted however that circa £200K per annum is expended on specialist and technical advice, design, marketing, learning and senior management / other support services, therefore allocations across the individual museums are subject to change year on year depending on the specific activity required in any given year. The remaining budget consists of £2K for premises related insurance, and £173.2K notional costs (split £30.3K internal recharges and £142.9K capital charges).
- 2.9 In taking forward negotiations with Lancashire County Council the focus will be on the following areas:
- Value for money considerations – such as can the per capita subsidy be reduced by either increasing visitor numbers or reducing costs by identifying efficiency or other savings that might be achieved as part of any new arrangements.

- A clear strategy to be developed for the future management of City, Maritime and Cottage Museums and within that, the relationship with the Judges Lodging Museum and eventually the Castle
- Development of clearer cohesive arrangements around programming and pricing
- Whilst retaining a shared approach with the County Council County there will need to be a clearer understanding of the direct services provided and their true costs.
- Issues such as information technology provision, financial management systems, procurement, inventories of equipment and tools, subcontracts etc will need to be considered as part of any new arrangements.

2.10 It is highlighted that independent advice will be sought to advise the Council on specific areas where the City Council currently has no expertise e.g. disposal, curatorial and conservation issues. It is estimated this would cost approximately £10K and could be met from currently unallocated budgets being carried forward, subject to the final outturn position. No additional budget is being sought therefore, although there is risk attached to this approach.

3.0 Details of Consultation

A stakeholder event took place on the 26 May 2011 (see paragraphs 2.5-2.7)

4.0 Options and Options Analysis (including risk assessment)

No options are being put forward at the moment. The recommendation is to continue negotiations for a further year. The City Council is not yet in a position to respond to any changes to the current arrangements.

5.0 Conclusion

This report sets out the latest position with regard to the partnership with Lancashire County Council for Members consideration.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>Management of the Museums is an important element of the Council's priorities of Economic Regeneration – and is cited within the Corporate Plan: 'An improved future for the district's museums is secured'.</p>
<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>Will all be taken into consideration during the development of new arrangements.</p>
<p>LEGAL IMPLICATIONS</p>

Legal Services have been consulted and at this stage have no further comments to make.

FINANCIAL IMPLICATIONS

At this stage it has not been possible to identify the financial implications arising from this ongoing work and in particular whether there is scope for significant cost savings that will impact upon the 2013/14 budget process. The ongoing negotiations will examine the potential for making efficiency or any other savings going forward.

For illustration of how County currently allocates the management fee between the 4 museums a table is provided below:

Management Fee Allocation	City Museum	KORR	Maritime Museum	Cottage Museum	Total
Expenditure	£'000	£'000	£'000	£'000	£'000
Employee	121	28.5	124.6	5	279.1
Premises	17.7	0	27.8	1	46.5
Transport	1	0.5	1	0	2.5
Supplies & Services	24.5	6.3	36.5	0.5	67.8
Conservation/Exhibitions/Design/Marketing/Senior Management Staff	72.9	0	72.9	0	145.8
Central & Technical Support	26.5	0	26.5	0	53
Total Expenditure	263.6	35.3	289.3	6.5	594.7
Fees & Charges Income	(12.7)	(7)	(24)	(2)	(45.7)
Net Total	250.9	28.3	265.3	4.5	549

From the information illustrated above it can be derived that circa £400K is allocated against direct costs associated with the running of each museum, whilst circa £200K is expended across all four areas for specialist and technical advice, design, marketing, learning and senior management/other support services. It should be noted at this point however, that these indirect costs are currently charged as an equal apportionment of total costs for all the museums falling under County's control (1/11th) and doesn't necessarily fit actual activity in

any given year, therefore. Negotiations are still ongoing to determine how best to allocate budgets in future years including level of partnership working/contracting with County and/or other providers regarding specialist advice and those activities best undertaken in-house.

The table also shows the total current level of fees and charges income – around £46K per year.

Visitor numbers for 2010/11 were 53,311 (the target for 2011/12 being 54,000), the per capita subsidy cost being £14.00, when taking account of support service costs and notional capital charges (or £10.23 if only taking account of County's management fee).

The report identifies a potential cost of £10K if the advice of independent specialists are sought. It is assumed that these costs would be met from either making a request for carry forward of any unused budgets, if the 2011/12 outturn allows, or alternatively other sources would need to be found in next year, as there is no specific budget available.

OTHER RESOURCE IMPLICATIONS

Human Resources:

Officers from Human Resources have been included within dialogue with County Council and will prepare definitive implications relating to staff should any variation of the museums operation be agreed. At this stage it is too early to consider if any TUPE implications apply until a clear way forward has been agreed and staff informed of any changes.

Information Services:

None identified to date.

Property:

The three museums referred to above are owned by Lancaster City Council

Open Spaces:

No implications

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has nothing further to add.

BACKGROUND PAPERS

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