

# CABINET

## Review of Museums Service 28<sup>th</sup> June 2016

### Report of Chief Officer (Regeneration and Planning)

PURPOSE OF REPORT			
To advise Cabinet on the findings of a high level review of the current museums service and to seek guidance on the overall strategy and actions which members may wish to pursue to develop a more sustainable museums service for the future.			
Key Decision	<b>X</b>	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	27 May 2016		
This report is public			

#### RECOMMENDATIONS OF Councillor Darren Clifford

It is recommended that:

- (1) The opportunity for a complete redesign of the museums service is developed and tested with a view to reducing overall costs, improving the care of collections, improving quality of service and increasing footfall and income;
- (2) Further feasibility work is undertaken to provide information on each of the proposed elements of the strategy, as detailed in this report;
- (3) A more detailed review of longer term management options is undertaken but that, in the meantime, the City Council requests that the two year notice period, as detailed in the existing Museums Service Partnership Agreement, is reduced to one year;
- (4) That the Chief Officer (Resources) be authorised to allocate up to a maximum of £138.5K from the Restructuring (Budget Support) Reserve in 2016/17 following the procurement of appropriate consultants / museum specialists and that the General Fund Revenue Budget be updated accordingly.

#### 1.0 Introduction

- 1.1 A high level study of the Council's museums was commissioned in December 2015 and a report is now presented to Cabinet that outlines headline options that could potentially improve the sustainability, resilience and impact of the museums service. The study, "Lancaster Museums Study, Future Scope and Benefits, June 2016", is presented as **Appendix A** to this Cabinet report.

- 1.2 At its meeting on March 2<sup>nd</sup> 2016, and as part of its budget setting process, the Council identified its museums as an area for potential future savings:
- “The future of the Maritime and Cottage Museums will be reviewed, alongside moves to encourage the County Council to explore community running of its Museums provision (potentially through a Trust), with the aim of securing the Museums’ future in this district. That said, the aim will be to significantly reduce or negate operating costs of all museums, and mothballing of the Maritime and Cottage Museums will also be an option for consideration.”*  
(Council, 2<sup>nd</sup> March 2016, minute 141, Annex 9 notes refers)

## **2.0 Background**

- 2.1 Lancaster City Council currently has three museums all based in Lancaster city centre. These include the City Museum in Market Square, the Maritime Museum on St George’s Quay and the Cottage Museum at St Mary’s Parade, adjacent to Lancaster Castle. The King’s Own Regimental Museum is located within the City Museum and whilst the regiment owns the collection, the City Council has provided accommodation and staffing for many years.
- 2.2 All three of the City Council’s museums have been managed by Lancashire County Council since 2003 as part of a Museums Service Partnership Agreement which was established initially for a ten year period but which is currently “holding over”. The current agreement is under review but it is important to note that, at the present time, a two year notice period is required and any options to develop new arrangements may have legal or human resource implications within the context of the current contractual agreement.
- 2.3 The County Council manages a museums service in Lancaster Castle and also owns and manages the Judges Lodgings museum on China Street, which has been identified as a service reduction as part of County Council’s budget process. Alternative management arrangements are being sought.
- 2.4 The current management fee paid to the County Council for management of the City Council’s museums is currently £516.1K (2016/17), which includes all on site costs and staffing, collections management, access to specialist curatorial and conservation services and a contribution to management, administration and storage costs. In addition to this, there are also notional costs totalling £166.7k (split £17.8K support recharges and £148.9K Capital Charges) accounted for separately by the City Council.
- 2.5 The City Council continues to own the buildings in which its museums are situated and takes responsibility for ongoing repairs and maintenance of the buildings. Average annual repairs and maintenance costs for the last three years for all of the Council’s museums are £33.3K (City Museum - £17.8K, Maritime - £11.2K, Cottage - £4.3K).
- 2.6 Footfall figures for the City Council’s museums for the full year 2015/16 were: City Museum (including the Kings own Royal Regimental Museum) – 46,620; Maritime Museums – 8038 (closed since October); Cottage Museum – 4,808
- 2.7 The current context for museums is shifting and over the last couple of years some important developments have occurred that significantly raise the importance and profile of the city and the wider district, in terms of visitors and quality of life for those who live and work here. In particular, two complementary destination brands have been identified by partners across the district for Lancaster (including the Lune Valley) with its nationally important heritage and vibrant arts and culture; and Morecambe Bay with its outstanding coastal landscapes, cultural heritage and outdoor recreation. Lancaster is now one of eleven of England’s Heritage Cities, opening up significant promotional opportunities at the national and international level.

- 2.8 Lancaster's museums buildings in themselves are important heritage assets within the city's wider heritage and culture offer. The City Museum, which at one time served as a butter market and was also the previous Town Hall, is Grade II\* listed and is an elegant Georgian building constructed in 1781 -1783 to the designs of Major Thomas Jarrett and Thomas Harrison. The Maritime Museum is Grade II listed and occupies two historic buildings on St. George's Quay, the city's main 18<sup>th</sup> century harbour, the former Customs House of 1764, designed by Richard Gillow and the adjacent Georgian warehouse. The Cottage Museum, a Grade II listed building situated adjacent to Lancaster Castle, is part of a 1739 house that was subdivided in about 1820.
- 2.9 All of the current museum buildings are within Lancaster's conservation area and sit alongside the city's other heritage assets including Lancaster Castle and Priory, the Judges Lodgings, the Storey, the Town Hall, the Ashton Memorial and a range of other interesting historic buildings and some potentially valuable archaeological sites close to Lancaster Castle.
- 2.10 The Council is now working with strategic partners to develop a new City Centre Masterplan and Vision and, as part of this, to take forward a Destination Management Plan to determine priority actions to develop Lancaster's visitor economy and its attractiveness for inward investors.
- 2.11 Lancaster district's visitor economy is increasing year on year and the most recent (2014) STEAM figures show over 7 million visitors, £416m visitor spend and 5,878 jobs in the district.
- 2.12 The Council's museums service is important in the context described, yet it is clear that the overall service is expensive, outdated and is not achieving its potential in terms of footfall and income. Effectively, this results in a service that does not maximise its economic impact and is unable to increase its sustainability in financial terms.
- 2.13 Local Authority budget pressures have continued to increase and hence Lancashire County Council has announced that it will close five of its museums including the Judges Lodgings in Lancaster. Alternative arrangements are being sought for the Judges Lodgings for the future but it seems clear that County Council will fully withdraw as soon as is feasible. Given the imminent reduction in scale of the County Council's museums service, the continuation of the current Museums Partnership Agreement, on its existing terms and conditions, seems very much in question.
- 2.14 At the same time the City Council, facing its own unprecedented financial challenges, has agreed to review its own museums service, with a view to reducing operating costs and considering opportunities for major changes.

### **3.0 The Museums Review**

- 3.1 Aitken, Prince and Pearce, the consultants commissioned to undertake the high level review, are independent specialist museum consultants with an extensive background in national and international museums, cultural and heritage projects over the last 30 years. During 2011, 2012 and 2013, Aitken Prince and Pearce provided the Council with a number of studies that have provided useful background for the current high level review.
- 3.2 For clarity, the purpose of the study was to review the current provision, identify and narrow down options for the future and make headline recommendations that could be tested and developed further during 2016. This will then help to take the Council towards the point where it can agree and implement a long term vision, a focused and resilient operational management model and business plan for the Council's museums if that is the direction it chooses to take.

- 3.3 The attached report at Appendix A considers strengths and weaknesses of the current offer. Strengths lie in the collections that are held; the prime location of the City Museum, in particular; and the district wide remit. Weaknesses include that permanent exhibitions are in urgent need of refreshment; physical access is poor; visitor numbers are low; collections storage is inadequate; and outreach and community involvement are not sufficiently taken up.
- 3.4 The net annual operating costs of the current service must also be added as a significant weakness and potential risk to the museums service, given the Council's pressing financial constraints.
- 3.5 Nevertheless there are also opportunities that lie in Lancaster's growing visitor economy and its status as a heritage city, the value of the existing collections and the undeveloped potential for income.
- 3.6 The identified options, as well as information relating to the feasibility work that is required to progress the options, are now presented to Cabinet for early consideration and to approve the necessary expenditure to undertake further feasibility and development work.

#### **4.0 Proposal Details**

- 4.1 In summary, options that have been considered are as follows:
- Close all of the museums
  - Do Nothing - continue with the current arrangement
  - Undertake a range of small scale changes
  - Redesign of the museums service, taking a bolder, more challenging but strategic, long term approach towards use of cultural/ heritage assets, estates and collections; funding, investment and income; and management of museums in the modern, competitive world
- 4.2 This latter option is recommended to Cabinet for consideration as it is the only option that retains a museums service for the district and potentially delivers what is required in terms of quality of service, sustainability and impact. The result should be a streamlined, much more sustainable museums service but one that is vibrant, engaging, captures the heritage of the whole district and which is fit for the future.
- 4.3 In terms of what this means in practice, a number of key proposals follow, all of which require further feasibility and the development of more detailed proposals for Cabinet's consideration later in 2016:
- Consolidating the Collections into a new Collections Store**
- 4.4 A new collections store is proposed to address a fundamental weakness of the current museums service, to address the need for the care and management of the district's valuable collections and as prerequisite to allow a number of museums buildings to be freed up for disposal or refurbishment.
- Comments and Additional Information**
- 4.5 Over the years, the City Council's museums collections have needed to be held within the existing buildings and, until recently, at St Leonard's House. Funding has never been available to invest in a more appropriate long term solution. However, use of premium but unsuitable city centre space is an expensive but inadequate solution for the care and conservation of valuable collections that also prevents other means of gaining a higher value return on those spaces.

- 4.6 The third floor of the Warehouse building section of the Maritime Museum provides almost 4,000 square feet of collections storage space, which is dry and warm but has severe limitations in terms of access, ceiling height and some floor load bearings. It is not possible to store larger items in this store and consequently some of the Council's larger items are held in Preston. To try to address this issue, an area within the ground floor of the Warehouse building was identified for storage but unfortunately was badly affected by the December floods, suggesting that is far from ideal for the storage of museums collections.
- 4.7 The King's Own Regimental Museum also requires a considerable amount of storage space and currently utilises space within the upper floors of the City Museum, which is highly unsuitable being damp, cold and difficult to access.
- 4.8 Further feasibility is required to scope the technical requirements of a new collections store; to consider options to deliver a cost effective property solution; to provide outline design and costs; and to investigate funding/financing options and income generating potential.

#### **Redevelopment of the City Museum in the Old Town Hall**

- 4.9 The museums report proposes a redesign and redevelopment of the City Museum as the central hub of a new and reinvigorated museums service that can provide an enhanced cultural offer, much improved public access and commercial opportunities. A number of possible components are suggested, which collectively support a clear shift towards a customer focused and income generating mix of services with the collections at the heart of this offer. Potentially, the City Museum would act as a gateway to the city and the wider district and could comprise the Visitor Information Centre, retail and catering alongside frequently refreshed collections and exhibitions.

#### ***Comments and Additional Information***

- 4.10 The City Museum building is in poor condition. Significant repairs and maintenance works are required that, at some point in the near future will require a closure of the building and temporary relocation of collections/exhibitions. Access to the building through the main entrance in Market Square is not suitable for disabled people and, although the entrance on New Street is at street level, it is often blocked by vehicles. There is no lift access to upper floors. A retail offer in the building generates a low level of income but, other than some sales of local artworks at times, there are no other income generating ancillary services. Very little investment in the displays and exhibitions has been possible for many years so there is little opportunity to use space flexibly, refresh exhibitions regularly and to engage visitors interactively.
- 4.11 The City Museum building, which is Grade II\* listed, must be recognised for its historic value in its own right. Suitable treatment to protect and conserve the building will create some constraints in terms of its redevelopment although a museums purpose seems very appropriate.
- 4.12 Nevertheless, the building is situated in a prime location in the city centre and already achieves in excess of 50,000 visitors per annum. The planned repairs and maintenance works are already budgeted for and so, subject to additional investment required, there is an opportunity to take a more holistic approach to the redesign, redisplay and rebranding of the museum, offering potential cost efficiencies and more effectively managing interruption to the service.

4.13 The Museums Steering Group has discussed redevelopment options for the City Museum although it is recognised that there is no real County Council capacity to take this forward as part of the current agreement.

4.14 Further feasibility work is proposed to develop an outline building and museum design and costs for the City Museum, taking account of optimum use of space and future uses; to test the feasibility of creating a link to the adjacent library and installing a lift; and to consider income potential related to the commercial elements of the proposals.

**The Kings Own Regimental Museum.**

4.15 As part of the redevelopment the museums report recommends that the Kings Own Regimental Museum is relocated.

***Comments and Additional Information***

4.16 The KORR collection has been located in the City Museum since the 1920's and is owned by a registered charity with a Board of Trustees. The Regiment's history is an important part of the heritage of North Lancashire and Cumbria and, through family and military history, touches the lives of many in a way that is deeply personal.

4.17 The exhibitions occupy around 50% of the available exhibition space on the first floor of the City Museum as well as a substantial part of the building that is not accessed by the public and is used for collections storage. The current situation does not offer the potential to display KORR collections to advantage. A redevelopment of the City Museum is unlikely to offer the KORR museum exactly the same arrangements as at present and, at the very least, there would be some considerable disruption for a period of time. Potentially a relocation could offer advantages to the KORR Museum and allow for more flexible use of space within the remainder of the building as part of a redevelopment but requires testing.

4.18 It is proposed that temporary and permanent relocation options for the KORR Museum are investigated, in consultation with the KORR Trustees, with a view to providing appropriate exhibition space and storage, retaining the KORR museum within Lancaster.

**Disposal of Maritime Museum - Warehouse and Customs House**

4.19 The museums report recommends that the Maritime Museum is closed and the buildings disposed of to produce a financial receipt for the Council.

***Comments and additional Information***

4.20 The Maritime Museum is comprised of two buildings, the Warehouse and the Customs House, connected by an external walkway. Part of the ground floor and first floor of the Warehouse building is leased by the Council to local businesses whilst the third floor of the Warehouse provides almost 4,000 square feet of collections storage space that is warm and dry but has limited and difficult access, no arrangements for large items and inadequate headroom in some parts.

4.21 The Maritime Museum is Grade II listed and, in its own right, has considerable heritage value.

4.22 No doubt partly due to its location, the Maritime Museum achieves low footfall, which seems unlikely to improve greatly in the near future in spite of local developments at Luneside East and West. A low level of income is achieved from retail and the café which also seems unlikely to increase significantly.

- 4.23 A large proportion of the collections within the Maritime Museum relate to Morecambe and the Bay area and there may be immediate opportunities for temporary exhibitions in venues such as, for example, the Platform in Morecambe, subject to conditions and costs.
- 4.24 The recent archaeological works on the site of the old Roman fort appear to be of some significance and a full evaluation will be necessary to ascertain what would be required to develop the potential of this site in the context of the history and heritage of Lancaster and its visitor economy. Bearing this in mind, Cabinet could consider mothballing the Customs House building until a later date rather than opting for immediate disposal in case the building is needed in connection with the interpretation of the Roman finds.
- 4.25 To take these proposals forward, further work is required to undertake a first review of the Warehouse and Customs House buildings to provide information on potential capital receipts or revenue income, suitable uses and relevant market factors.

#### **Disposal of the Cottage Museum**

- 4.26 The museums report recommends that the Cottage museum is disposed of for alternative uses, as part of the overall consolidation of the museums service.

#### ***Comments and Additional Information***

- 4.27 The Cottage Museum is extremely compact and is therefore very constrained in terms of its ability to increase footfall, with no real potential to achieve additional income at any scale.
- 4.28 That said, the Cottage Museum is also a Grade II listed, heritage building in its own right, sitting directly opposite the Castle within the city conservation area as an interesting example of a Georgian townhouse.
- 4.29 If this proposal is supported, an initial valuation and commercial analysis would provide information required to determine best potential uses for the building and/ or its disposal, bearing in mind its heritage value.

#### **A new development on Morecambe Seafront**

- 4.30 The museums report proposes that the Council considers the longer term development of a new multi-use facility at Morecambe Seafront with a museums and cultural dimension, possibly within the framework of the Morecambe Area Action Plan (MAAP).

#### ***Comments and Additional Information***

- 4.31 The cultural and heritage links between some aspects of the current museums collections and Morecambe are strong. Whilst this may not be the sole driver for the development of the MAAP, it does combine well with a range of other aspects of Morecambe and the Bay, bringing together the interests of many partners around culture, heritage, ecology, wildlife and outdoor pursuits that all feature strongly in the Morecambe Bay brand.
- 4.32 The MAAP, situated alongside the area that is historically associated with Morecambe's ship breaking industry, is long term and in its early stages with the expectation that the private sector will play a significant part in bringing forward key developments.
- 4.33 It is worth bearing in mind that, as the Council has agreed as part of the budget process to review its municipal buildings, the potential of Morecambe Town Hall could also be considered and evaluated as a future option for a Morecambe Seafront development that includes a museums and cultural dimension, although clearly this could well raise affordability and viability concerns, and other potential future uses for the building need to be explored.

4.34 No specific work is recommended as a result of the museums report, at this time. However, in the short term, readily available opportunities exist to use current collections in Morecambe and along the coastal front (for example, in the Platform), where conditions are acceptable and there are no additional cost implications for the Council.

4.35 To support this, it is recommended that an initial review of the collections is undertaken to begin to identify those with relevance to Morecambe and the Bay area and the conditions required to exhibit them in other locations.

#### **Management arrangements**

4.36 The museums study highlights the need to consider future governance and management arrangements and staffing requirements for a museums service that is customer facing and income focused but which maintains the highest possible standards of museum practice. Three clear options are identified which, including in house management by the City Council; an outsourced arrangement (such as that existing) or management by a Trust, Community Interest Company or similar. All of these carry advantages, disadvantages and risks.

#### **Comments and Additional Information**

4.37 It is important that the Council is able to respond positively to some of the major influences affecting museums presently, including the significant reduction in the County Council's level of provision across Lancashire. Although County Council has not given notice to withdraw from or requested changes to the current agreement, it seems likely that the reduction in scale of service will have implications. Therefore, this is a good time to consider options for management of the City Council's museums service of the future, taking into account the important shift towards customer focus and income.

4.38 It is proposed that future management options are considered in detail, as part of the feasibility work, with a view to ensuring a robust structure is in place that can meet the requirements to deliver the proposed museums service in the future. Appendix B provides some useful information on Trust Options but would require further detailed development for a real case scenario.

4.39 In the meantime, the existing management agreement has been considered in the light of current requirements and largely remains a reasonable basis upon which County and City Councils can work together. However, it is proposed in this report that the City Council requests that the current two year notice period is reduced to one year, giving both Councils more flexibility to respond to rapidly changing circumstances.



## Summary of feasibility works required

Redevelopment of Museums Service – Stage 1 requirements	
Proposed option for development	Feasibility work/ further information required
Collections Store	<ul style="list-style-type: none"> <li>- Review of collections</li> <li>- Scoping of technical requirements and property options</li> <li>- Outline design and costs for a cost effective property solution</li> <li>- Identification of funding/ financing options and income generating potential</li> </ul>
City Museum	<ul style="list-style-type: none"> <li>- Outline building and museum design and costs</li> <li>- Technical feasibility of creating a physical link to the library and installing a lift</li> <li>- Income potential for commercial elements of the proposals</li> </ul>
King's Own Regimental Museum	<ul style="list-style-type: none"> <li>- Identification of temporary and permanent relocation options for exhibition space (collections storage requirements likely to be addressed by the collections store)</li> </ul>
Maritime Museum <ul style="list-style-type: none"> <li>- Warehouse</li> <li>- Customs House</li> </ul>	<ul style="list-style-type: none"> <li>- Valuation and review of commercial potential, suitable uses and market factors</li> </ul>
Cottage Museum	<ul style="list-style-type: none"> <li>- Valuation and review of commercial potential, suitable uses and market factors</li> </ul>
Links with Morecambe Seafront	<ul style="list-style-type: none"> <li>- Initial review of collections to identify those relevant to Morecambe and the Bay and to identify the conditions required to exhibit them</li> </ul>
Management arrangements	<ul style="list-style-type: none"> <li>- Review of options for future management arrangements, including governance, structures and skill requirements</li> </ul>
Consultation	<ul style="list-style-type: none"> <li>- Consultation and engagement with partners, funders and communities to inform the development of detailed proposals</li> </ul>

**Note:** Attention is drawn to the comments of the section 151 Officer (/Chief Officer Resources). The scope and need to undertake each specific piece of work would be reviewed as the project moves along and appropriate consultation would be undertaken with the relevant portfolio holder/s as works are to be commissioned, to ensure value for money. The budget would be updated in a phased manner by the Chief Officer (Resources), to reflect this approach.

### 5.0 Details of Consultation

5.1 The proposals in this report represent headline options for Cabinet's consideration. Consultation will be required on the shape of the future museums service, if Cabinet wishes to progress this further.

## 6.0 Options and Options Analysis (including risk assessment)

	<b>Advantages</b>	<b>Disadvantages</b>	<b>Risks</b>
<b>Option 1:</b> Close all museums	<p>Significant revenue savings</p> <p>Potential capital receipts and revenue income from the existing buildings</p>	<p>Museums service ceases to exist</p> <p>Negative impact on quality of life in the district through the loss of community, education and visitor services</p> <p>Negative impact on the visitor economy</p> <p>Strongly undermines Lancaster's national status as a heritage city</p> <p>Reputational damage for the Council in terms of funders, partners and the community</p> <p>Transfer of part or all of the museums service into a different delivery vehicle once the service has closed down</p> <p>No alternative provider currently available</p>	<p>Legal risk - current management agreement requires two years notice</p> <p>Delivery risk - no clear solutions for the disposal of valuable collections although the Council has the responsibility to safeguard these. All options would have cost and resource requirements</p>
<b>Option 2:</b> Continue with current arrangements (Do Nothing)	<p>Continues to provide a museums service for the district</p>	<p>Ongoing revenue costs are high and likely to increase</p> <p>Existing museums are underperforming in terms of footfall and income and do not therefore achieve optimum results for economic impact or improved financial sustainability</p> <p>Collections management arrangements are expensive and inadequate</p> <p>Current displays/exhibitions urgently</p>	<p>Delivery risk - maintaining a status quo situation for management arrangements seems unlikely to be a long term option due to imminent changes within Lancashire County Council's museums service</p> <p>Financial risk - the City Council's budgets face ongoing pressure over the next few years</p>

		require investment to refresh and present to today's audiences	
<b>Option 3:</b> Undertake a range of small scale changes	Some small improvements could improve footfall and income to a limited extent	<p>Ongoing revenue costs are high and likely to increase</p> <p>Very limited opportunity to increase income or gain capital receipts</p> <p>Investment required to deliver small scale changes although the business case to invest in some elements of the current museums service is weak</p> <p>Less likely to attract external funding</p> <p>Limited potential to achieve significant benefits</p> <p>Will not future proof the museums service for the long term</p>	Without significant change the ability to increase footfall might be impeded as the overall impression could be that nothing has really changed.
<b>Option 4:</b> Investigate the feasibility of complete redesign of museums service	<p>Potential to significantly reduce ongoing revenue and repairs and maintenance costs by the reduction in the number of museum buildings</p> <p>Likely to produce capital receipts or revenue income from buildings no longer required as museums</p> <p>Potential increase in income from ancillary services</p> <p>Improved long term arrangements for the care and management of collections in appropriate space</p>	<p>Loss of Maritime and Cottage Museums</p> <p>Temporary interruption to the museums service in order to undertake works required</p> <p>Need to identify capital costs for injection of investment and have confidence about potential income generation.</p>	<p>Legal and HR risks – implications relating to the current management arrangements and in respect of County Council staff need to be clarified and managed</p> <p>No certainty regarding outcome of feasibility, including affordability and sustainability.</p> <p>Risk of abortive feasibility costs.</p>

	<p>A more vibrant and engaging museums service with the potential to considerably increase footfall at the City Museum and through exhibitions and events in other locations</p> <p>Improved links with other heritage buildings in Lancaster plus existing spaces in Morecambe and the coastal area</p> <p>Increased potential to engage external funders as this approach safeguards collections and offers long term strategic change</p>		
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**7.0 Officer Preferred Option (and comments)**

7.1 The Officer Preferred Option is **Option 4**, which enables the council to investigate whether there is a long term strategic approach to delivery of the museums service; safeguards and protects the existing collections; improves engagement with visitors and communities; and creates opportunities to generate income and therefore reduce net costs. It fits with the actions approved at Budget Council.

**8.0 Conclusion**

8.1 The current museums service is structured in a way that is inevitably expensive and yet under achieves, in certain respects. The City Council's budget pressures mean that it is more important than ever that services are cost effective and, as far as possible, financially sustainable. Lancashire County Council which manages the Council's museums service, has recently announced a number of major changes that potentially have implications for future arrangements.

8.2 As part of its own budget process the City Council has agreed to review the museums service. An initial high level review of headline options has now been undertaken to provide Cabinet with an outline proposal that has both challenges and opportunities. The opportunity to reduce the cost base at the same time as improving and revitalising the museums service and potentially increasing both footfall and income is highlighted in this report. Further feasibility work, design and costings are required to test the proposals more fully to establish that they offer the long term benefits anticipated.

**RELATIONSHIP TO POLICY FRAMEWORK**

The proposals with this report support the Council's Corporate Priorities of Sustainable Economic Growth and Community Leadership, contributing to the attractiveness and offer of the district, as a place to visit or invest in; rationalising the Council's property portfolio to deliver better value for money; and improving efficiency and effectiveness through re-shaping services.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

No direct impact at this stage but all relevant impact assessments will be undertaken as part of feasibility and development works.

**LEGAL IMPLICATIONS**

None at this stage but legal implications of the proposals will be assessed in detail as part of the feasibility works.

**FINANCIAL IMPLICATIONS**

Financial implications at this stage relate to the estimated costs of feasibility and development work as professional museums, property and architectural design advice will be required to complete the works identified and in some cases will need to be separately procured. It is proposed that such costs are funded from the Restructuring (Budget Support) Reserve at this stage up to a maximum of £138.5K and that a further report is brought back to Cabinet once the feasibility work is complete setting out the detailed financial implications of the various options (including any VAT implications, if there are any). This will then need to feed into the 2017/18 Budget Process to be considered alongside all other competing priorities.

It should be noted that at present, some of the assumptions within the capital and revenue funding model set out in the attached report may not fit entirely with the Council's current approved financial strategy, but aspects such as this, and the overall financial viability (prudence, sustainability and affordability) would be explored further as part of future appraisal and budget setting.

**OTHER RESOURCE IMPLICATIONS****Human Resources:**

Given Lancashire County Council's current rate of change and financial pressures, it is not possible for them to provide the resources necessary to lead the museums development work as part of the existing agreement. On that basis, it is assumed that the City Council will take that role working with the County's Museums Service and other partners as appropriate.

Coordination and project management for the feasibility works can be provided by the Council's Regeneration and Planning Service within existing resources, subject to the availability of the professional expertise referred to above. However, the project team will need to include Joint Property Services, ICT, Financial Services and Human Resources.

**Information Services:**

Some input into design of the ICT element of the new service will be required.

**Property:**

Direct involvement in work associated with building disposals and refurbishment

**Open Spaces:**

No direct implications at this stage.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted. In view of the relatively large cost of feasibility works proposed, and to ensure value for money, a phased approach would be adopted for authorising the works and this is referred to at the foot of the summary table included in the report.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

None

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