

**Open Report on behalf of Richard Wills,
Executive Director for Environment & Economy**

Report to:	Public Protection and Communities Scrutiny Committee
Date:	31 October 2017
Subject:	Progress Report on the Future Governance of Heritage Services

Summary:

The Council has been exploring ways of reducing the costs of its Heritage Service whilst improving and enhancing its public offer. This report informs the Public Protection and Communities Scrutiny Committee on the progress made to date.

Actions Required:

Members of the Public Protection and Communities Scrutiny Committee are invited to consider and seek assurance on the progress towards the Future Governance of Heritage Services.

1. Background

In October 2016 the County Council's Executive gave approval for the Heritage Service to explore ways to reduce the costs of its Service whilst improving and enhancing its public offer. The Service could retain any yearly surplus achieved as an offset to service delivery. The aim is to reduce the overall net cost of operating the Heritage Service to a point where the service is self-sustaining. This requires a £1.8 million saving from the Heritage Service net operating costs.

Since the Executive meeting in October 2016, the Heritage Service has implemented a new model of service delivery to fundamentally transform the way in which Heritage Services are developed and delivered within the County, and has made significant progress towards reducing the level of County Council subsidy required to keep the sites available to the public, as well as generating economic and tourism activity. Whilst externally, the public will have felt little difference in the offer, internally Lincolnshire County Council Heritage has changed its focus entirely, promoting and prioritising public engagement and commercial opportunities.

A whole service re-structure has been completed, with the new staffing structure implemented on 1st July 2017. The focus of the new staffing structure is on public engagement whilst ensuring fundamental priorities of collection care is core. From 1st July 2017 the new staffing structure will deliver a year on year reduction in excess of £500,000.

The Service has included the following sites as within scope, unless otherwise specifically stated:

- Lincolnshire Archive
- Battle of Britain Memorial Flight Visitors Centre
- The Castle
- The Collection
- Discover Stamford
- Gainsborough Old Hall
- Museum of Lincolnshire Life (incl. Elm House)
- Usher Gallery
- Windmills

To ensure due diligence, the Heritage Service presented a report to the Public Protection and Communities Scrutiny Committee in July 2017 with a review of the proposed options. Due to the volume of information it was agreed that a Working Group would be established so that Members could analyse the current position with a view to submitting a further paper to the following Scrutiny Committee meeting on 31st October 2017.

The Working Group has met three times in total. Each meeting has enabled Members to have access to very detailed intelligence on property, finance, staffing and sites. Each has also been challenging; enabling Members to explore mitigation, opportunities and risk. The outputs from the Working Group were positive and have given assurance that officers have the capacity and capability to deliver service change, as evidenced from 2016/17 actual to 2017/18 forecasted spend.

Members also recognised the risk associated with the budgetary constraints, in that to reach a cost neutral business model substantial change would have to be implemented. The final decision in terms of agreeing a Governance Model for the Service is to be made by Executive in March 2018.

2. Conclusion

Date	Meeting	Purpose
25 July 2017	Public Protection and Communities Scrutiny	Discussion on initial work streams and timeframe for the exploration of the potential future governance models for the Heritage Service
31 October 2017	Public Protection and Communities Scrutiny	Update on Progress made following the Working Group.
23 January 2018	Public Protection and Communities Scrutiny	Pre-decision Scrutiny item on the preferred recommended option including a Detailed Business Case
06 March 2018	Executive	For approval to implement the recommended option by April 2019

3. Consultation

a) Have Risks and Impact Analysis been carried out?

N/A

b) Risks and Impact Analysis

N/A

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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