

**Open Report on behalf of Richard Wills, Executive Director for Communities**

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| Report to:          | <b>Executive Councillor of Economic Development</b> |
| Date:               | <b>12 September 2011</b>                            |
| Subject:            | <b>Service Delivery Options for Stamford Museum</b> |
| Decision Reference: | <b>01940</b>  |
| Key decision?       | <b>No</b>   |

**Summary:**

The purpose of this report is to consider a second proposal from the Stamford Heritage Trust to take on the operation of Stamford Museum which closed to the public on 30 June 2011. These proposals have been considered against the County Councils ongoing responsibility to make proper arrangements with respect to the collections and their associated documentation located at these sites and the County Council's previous decisions to develop a "heritage hub" in Stamford Library.

**Recommendation(s):**

1. That the proposal from Stamford Heritage Trust is declined.
2. The County Council's proposals to develop a heritage offer in Stamford Library proceed as planned.

**Alternatives Considered:**

1. Accept the proposal from the Stamford Heritage Trust to take on the running of Stamford Museum and stop the development of a "heritage offer" in Stamford Library. The grant requested is £45,000, plus an annual contribution of £10,000 per annum.
2. Decline the proposal from the Stamford Heritage Trust to take on the running of Stamford Museum and proceed with plans to find locations in which to store and display the collections and develop a "heritage offer" in Stamford Library. The capital cost is £171,000.

### **Reasons for Recommendation:**

1. The proposals remain unclear about exactly what will be offered in the museum, when and at what cost.
2. The income and expenditure proposals remain overly optimistic.
3. The proposals seek £10,000 per annum in revenue support from the County Council and will not be viable without such a contribution. Such a grant has not been sought or offered to the voluntary groups who have taken on the former County Council museums in Skegness and Grantham.

## **1. BACKGROUND**

- 1.1 The Executive Decision to reject Stamford Town Council's offer to run Stamford Museum in favour of the development of a heritage offer in the adjoining Stamford Library was taken in December 2010 (Executive Decision 1817 of 10.12.2010).
- 1.2 A further application was received from Stamford Heritage Trust in May 2011 to take on the running of the museum and this was declined in June 2011 (Executive Decision 1899 of 17.6.2011) because it lacked detail and was very optimistic.
- 1.3 The current position in relation to the museum collections in Stamford is that:
  - 1.3.1 The museum was closed to the public from 30.6.2011.
  - 1.3.2 Two members of operational staff were made redundant and the remainder are redeployed to posts within the library service. As part of a wider County Council restructuring exercise other staff from Culture's Community Engagement Team who undertook a lot of work at the museum have been made redundant.
  - 1.3.3 Formal notice has been given to South Kesteven District Council (SKDC) to terminate the lease of the museum building effective from 1.10.2011 and a joint dilapidations survey has been undertaken.
  - 1.3.4 Work to separate the utility services to the County Council owned store building from the museum has been completed.
  - 1.3.5 The collections have been removed from the museum building and most placed in storage. Some have been loaned to Stamford Town Council for

display in the Town Hall in Stamford on a temporary basis and work is now in hand to facilitate longer term loans there.

- 1.3.6 A brief for the library works has been developed and the design of the new heritage hub in Stamford Library is under way.

## **2.0 STAMFORD HERITAGE TRUST**

2.1 In February 2011 Town and District Councillor Harrish Bisnauthsing held a public meeting in Stamford attended by 78 people to gauge interest in taking on the running of the museum. He subsequently approached the County Council with a view to taking on the running of the museum via a new organisation the Stamford Heritage Trust. This organisation formed a company in April 2011 and applied to become a Registered Charity.

2.2 In response to a 6.5.2011 deadline given by the County Council, he subsequently submitted a formal application and Business Plan to take on the running of the museum. In summary this proposal:

2.2.1 Sought a £45,000 payment from the County Council for “set up costs including internal alterations and decoration of the building, enhanced display costs” and the loan of the collections. In return the Trust:

2.2.2 Plan to take on the lease of the Museum Building owned by SKDC.

2.2.3 Create a management board of 12, use a volunteer coordinators and volunteers to operate the museum, guided by former curator.

2.2.4 Propose take over the museum from 1.10.2011 with public opening in either January or April 2012. , up to seven days a week “if possible” commencing as soon as possible thereafter.

2.2.5 Propose to form a number of partnerships with local educational institutions as well as Burghley House and Rutland County Council.

2.2.6 Aspire to secure £2-5m from the Heritage Lottery Fund (HLF) to create a link from the library with its High Street frontage to the museum.

2.3 The subsequent analysis of this proposal highlighted that the proposals:

2.3.1 Lacked detail in relation to security, invigilation, fire and intruder alarms, emergency procedures, including salvage, care of collections, environmental monitoring etc. in the museum building.

2.3.2 Were very optimistic in relation to the Trust’s Ability to secure Charitable status, commence operations, generate sufficient income to cover expenditure.

2.3.3 The Trust also sought to use space in the museum store for education sessions, but this would have complicated the operation of that space and increase operating costs for the County Council.

### **3.0 ANALYSIS OF THE AUGUST 2011 PROPOSAL**

3.1 The revised proposal was received on 15.8.2011 and seeks to address the shortcomings of the previous one and provide more evidence of local support:

3.1.1 "Security, fire and intruder alarms, emergency procedures, including salvage; care of collections, environmental monitoring, heating and lighting, telephone and CCTV, caretaking, out of hours access, key holders will be kept the same as that currently implemented by Lincolnshire County Council"

3.1.2 South Kesteven District Council have confirmed that they "would in principle be willing to enter into negotiations with the Stamford Heritage Trust...the terms and conditions will have the same impact as those currently being finalised for Grantham which includes a review and a full repair obligation after five years"

3.1.3 Crestwood Holdings Ltd have indicated that they "would be willing to make annual donations of £10,000 to help the project get off to a flying start."

3.1.4 Provisional opening times would be:

|                  |                     |
|------------------|---------------------|
| Monday to Friday | 10.00 am to 4.00 pm |
| Saturday         | 9.30 am to 2.00 pm  |
| Bank Holidays    | 10.00 am to 3.00 pm |

(excluding winter months) P30.

However, P29 of the proposals suggests that it will be open "from 10am to 4pm from Monday to Saturday ...and some National public holidays" and "opening times would be dependent on the number and enthusiasm of the Volunteers, and "we may close our doors during the winter months i.e Dec, Jan & Feb."

3.1.5 Visitor numbers are projected to be:

|                       |        |
|-----------------------|--------|
| 6 months to 31.3.2012 | 7,500  |
| year to 31.3.2013     | 15,000 |
| year to 31.3.2014     | 16,500 |

In the year to 31.3.2011 visitor numbers were 15,313 when the museum was open Monday to Saturday 10am to 4pm except for 24,25, 26, 31 December and 1 January.

- 3.1.6 The aspiration to undertake a “large expansion programme” costing £2-5m to redevelop “the site between the present SKDC owned front building and Lincolnshire County Council’s Stamford Library to create a large additional display, storage education and eating facility... to solve the present siting problems with the museum premises” remains.
- 3.1.7 The proposal suggests that “improvements to the Broad Street premises will be funded from (a) grant of £5,000 from the Harry Skells Trust as and when requested”, however, unlike other pledges of support there is no supporting evidence of this.
- 3.1.8 On 2 August Stamford Town Council Finance Committee “decided to recommend to the full Town Council to support the Stamford Heritage Trust in principle”, and as a consequence the grant of £5,000 per annum which was present in the original proposal has been removed.
- 3.1.9 Within the Business Plan income and expenditure figures have been changed:

| May 2011 Proposal  | 9 months to 31.3.2012 | Year to 31.3.2013 | Year to 31.3.2014 |
|--------------------|-----------------------|-------------------|-------------------|
| Income             | £87,045               | £71,913           | £75,447           |
| Expenditure        | £53,544               | £49,471           | £69,470           |
| Surplus            | £33,501               | £22,441           | £5,977            |
| Cumulative Surplus | £33,501               | £55,942           | £61,919           |

| August 2011 Proposal | 6 months to 31.3.2012 | Year to 31.3.2013 | Year to 31.3.2014 |
|----------------------|-----------------------|-------------------|-------------------|
| Income               | £96,933               | £76,790           | £80,150           |
| Expenditure          | £42,519               | £49,471           | £69,470           |
| Surplus              | £54,413               | £27,319           | £10,680           |
| Cumulative Surplus   | £54,413               | £81,732           | £92,411           |

- 3.2 The governance model remains unchanged, and seems broadly fit for purpose, but the Trust has yet to secure charitable status, which will have an impact on their business plan in relation to the ability to reclaim gift aid and secure 80% rate relief.
- 3.3 The financial model envisages income from Friends, donors, a corporate membership scheme, guided walks, the shop and suggests £1 per head, with £17,500 in donations in 6 months to 31.3.12, plus £8,000 in Friends subscriptions, 7,500 in visitors donations and £3,933 in gift aid when the museum will be “closed over the first winter to allow training and refurbishment, re-opening around Easter (early April) 2012” (P30 of the August proposal, with a similar statement on P5 of the proposal), or “the museum will not be open to the public until January 2012” (P45 of the August proposal)

- 3.4 As with the previous proposal high levels of gift aid recovery are envisaged, (100% for major donors, and 66% for ordinary visitors) which seem to be overly optimistic.
- 3.5 The financial model continues to be based on the museum's actual expenditure figures for 2007-8, although more recent data had been provided in the early part of 2011. This continues to underestimate likely operating costs. For example, the Trust will not have the same level of buying power as the County Council when it comes to utility costs which may increase by 30% over the next three years.
- 3.6 In addition to the pledge of £10,000 per annum from Crestwood Holdings Ltd the revised proposal also seeks £10,000 per annum from Lincolnshire County Council "in recognition of SHTrust's role in supporting the FOUR key strands of the County's Heritage Service Strategy".
- 3.7 The comprehensive education offer remains unchanged from the May proposal with the exception of the request to use the space in the County Council's storage building at the rear of the museum which is absent from the August proposal. Whilst the absence of this request clarifies matters, it does not explain where in the museum the proposed educational activities for pre-school and primary schools will take place.

**3. Legal Comments:**

The report sets out the detail in relation to the application by Stamford Heritage Trust to run the Stamford Museum. Due to the reasons set out in the report the recommendation is that the application should not be supported. Therefore, the report also recommends the continued development of Stamford Library. This is a recommendation within the remit of the Executive Councillor provided he has the delegated authority of the Leader.

**4. Resource Comments:**

Accepting the recommendation given above, will ensure the required reductions can be achieved in the service revenue budget. The capital investment required to achieve these changes can be met from the service's current capital programme.

## 5. CONSULTATION

### a) Has Local Member Been Consulted?

Yes

### b) Has Executive Councillor Been Consulted?

Yes

### c) Scrutiny Comments

n/a

### d) South Kesteven District Council

Several conversations were held with senior officers at South Kesteven District Council (SKDC) in relation to the leasehold of the museum building, delapidations and the district council's use of it after the County Council's notice period has come to an end.

### e) Policy Proofing Actions Required

Third sector involvement is dependent upon significant County Council capital investment, and ongoing revenue support.

If the Stamford Heritage Trust proposal were supported the negative impact on the local economy, including volunteer engagement and community relations would be minimised. However, such impacts may be minimised through the investment in the library.

## 6. BACKGROUND PAPERS

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

| Document title   | Where the document can be viewed      |
|--|---------------------------------------|
| Letter from Cllr Harrish Bisnauthsing to Councillor Eddy Poll 15.8.2011              | Beech House, Waterside South, Lincoln |
| Stamford Heritage Trust Proposal and Business Plan (August 2011)                     | Beech House, Waterside South, Lincoln |
| E-mail correspondence between Jonathan Platt, Cllr Harrish Bisnauthsing 13-24.4.2011 | Beech House, Waterside South, Lincoln |
| Letter from Cllr Harrish Bisnauthsing to Jonathan Platt 5.5.2011                     | Beech House, Waterside South, Lincoln |
| Stamford Heritage Trust Proposal and Business Plan (May 2011)                        | Beech House, Waterside South, Lincoln |

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| Stamford Heritage Trust Charity Commission Application 8.4.2011                          | Beech House, Waterside South, Lincoln |
| Stamford Museum Receipts and Payments Account 2012-2014 (May 2011)                       | Beech House, Waterside South, Lincoln |
| MLA New Model Museum Delivery Proposals - Appraisal Forms and emails 28.4.2011-25.5.2011 | Beech House, Waterside South, Lincoln |

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