

PAPER NO. 3

REPORT TO THE EXECUTIVE MEETING OF 19 December 2011

Status: Decision

Title: **Harborough Museum – Development of New Business Model**

Originator: **Jayne Wisely – Cultural Services Manager**

Where from: **Environment and Leisure Services**

Where to next: **Review**

1 Purpose of the Report

1.1 For Members to approve the development of the future business model for Harborough Museum

2 Recommendations:

2.1 **Approve the decision for Harborough Museum to become an Independent organisation with its own Governing Body.**

2.2 **Approve the establishment of a project board to oversee the development of a sustainable business model and implementation plan for the management and operation of Harborough Museum.**

3 Summary of Reasons for the Recommendations

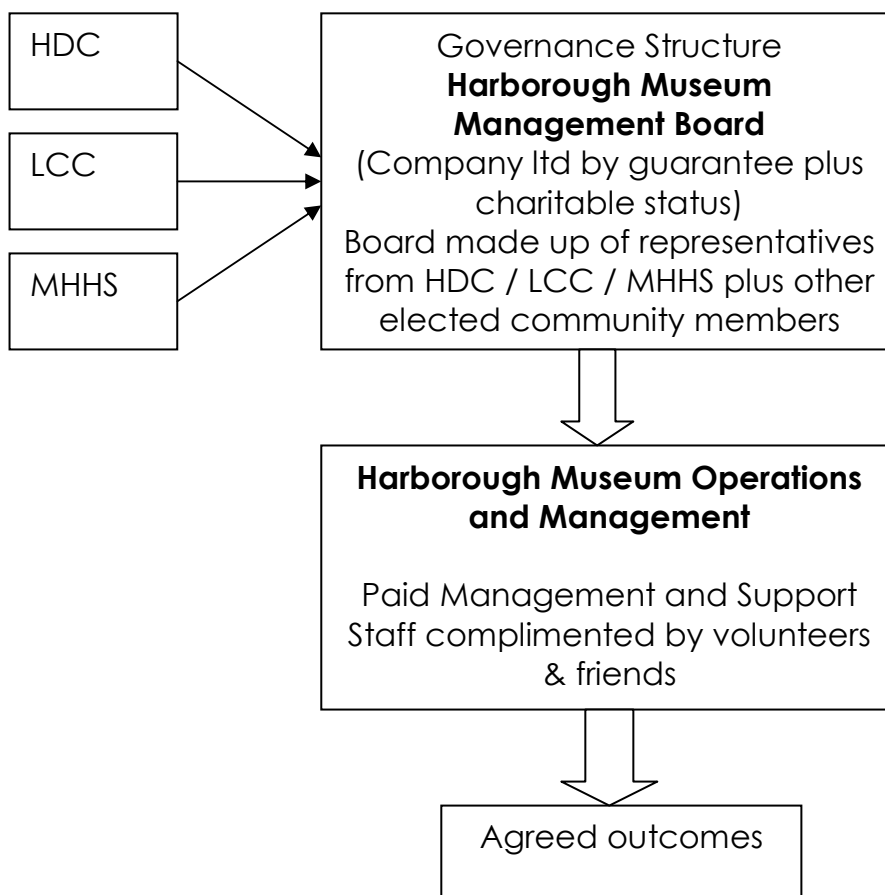
3.1 During the 2011/12 strategic business planning process Members approved a budget of £48,000 for the provision of Harborough Museum, this was made up of £40K allocation for the payment of the Museum Assistant and £8K NNDR. In addition, it was requested that the future provision and operation of Harborough Museum be considered and a report brought to Executive for discussion.

3.2 During the current financial, year an interim review of the Museum has been undertaken to allow for the Museum Assistant salary budget to match the allocated funding available. The outcome of this has meant a reduction in number of Museum Assistants from five to four, a reduction in opening days / hours and a net reduction in Museum Assistant contracted hours. As the major funder for the Hallaton Treasure project, the Heritage Lottery Fund (HLF) was consulted on the reduced opening and the Board approved a report submitted to them in June this year – (report Appendix A).

3.3 The project board will be made up of Members and Officers from both Harborough District Council (HDC) Leicestershire County Council (LCC) and

Members of Market Harborough Historical Society (MHHS). A draft Terms of Reference for the project board can be seen in Appendix B

- 3.3 The MHHS have been successful in applying to LCC for a Big Society grant. The funding received will support a Feasibility Study to be undertaken, and subsequent Action Plan produced. The feasibility study will be undertaken by an independent consultant employed by MHHS. The purpose of the Feasibility Study is to provide options for a sustainable and more viable long term business model for the operation of the museum. This will include governance structures and operational requirements. Leading on from the Feasibility Study will be an implementation plan to achieve the new Museum structure. This action plan may supersede the draft timescales identified in Appendix C. This work will be overseen by the proposed project board.
- 3.4 The diagram below is an illustration of a governance and business model and how it could operate. It reflects the independence from each of the partner organisation, but still allowing direct input into the Management Board, along with the recruitment of Board Members from the wider community.



Any governance structure model that is introduced would need to limit the number of Members / Officer on the board of trustees to less than 20%, from both the District and County Council. This is to ensure that it is not a Local Authority controlled company.

4 Impact on Communities

- 4.1 The proposal is to consider how Harborough Museum might be governed in the future, with the focus being on transferring to an independent trust or similar organisation. Whilst it is anticipated that there still will be involvement from both the District and County Councils, this governance structure will allow for greater involvement of the Community in decision making and long term sustainability.

5 Key Facts

- 5.1 Harborough Museum has operated as a partnership between HDC, LCC and MHHS since 1983. This partnership has had no legal basis in terms of the respective roles and responsibilities of each partner. In brief these are as follows;-

HDC

- Provision, maintenance and cleaning of the premises (Museum)
- Provision of Museum Assistants

LCC

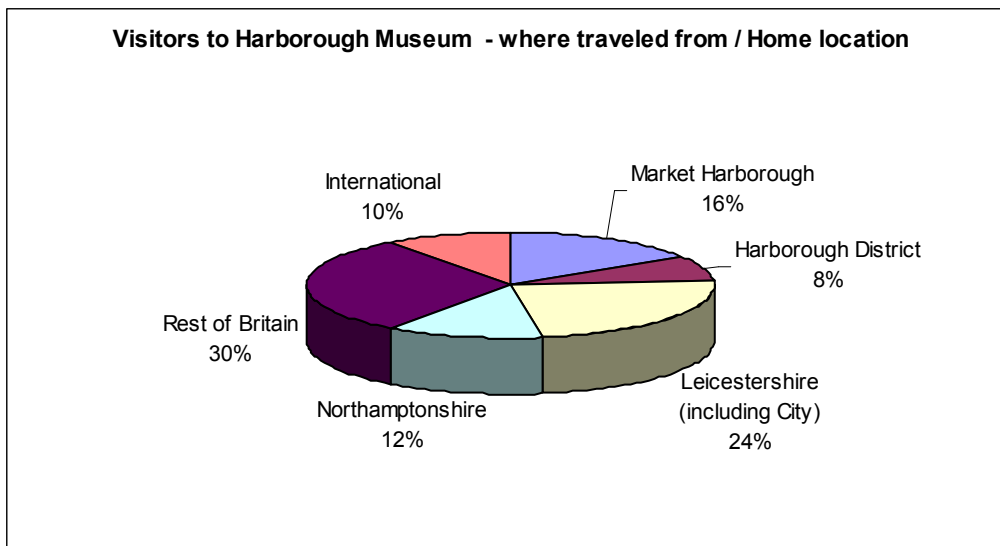
- Provision of the Keeper to operate the Museum on a day to day basis, along with the provision of appropriate specialist support services
- The Meeting the costs of displaying work, collections, conservation and storage of equipment.
- Special Exhibitions programme

MHHS

- Making available the existing Societies collection for use by the Museum
- Acquiring and holding in trust suitable items of local history interest.

- 5.2 As part of the medium term financial strategy Leicestershire County Council's Libraries, Heritage and Arts (LHA) Service has to make significant savings by 2014/5. Council minute 316 of the Cabinet meeting of 8 March 2011 approves the recommendations to progress option six of LRA review undertaken between June and November 2010. This identifies Partnerships as an option for delivery of Museum services, and includes the opportunity to devolved delivery through a trust, social enterprise or other organisation.

- 5.2 In September 2009 the Museum re-opened following a £0.9m refurbishment project to house the Hallaton Treasure Project. Since then the visitor numbers have doubled. During 2010/11 21,419 visits to the museum were recorded. An analysis of the comments in the visitor book from November 2010 to present show that of the visitors have come from the following locations:-



The graph quite clearly shows that the Museum is definitely a destination for visitors outside of the immediate area, with 40% of the 485 visitors leaving a comment visiting from the rest of the UK or International visitors. This has a significant impact on the local economy to Market Harborough.

- 5.3 From January 2012 the Roman Cavalry helmet will be on permanent display in the Museum as part of the Treasure project. The helmet is one of the earliest Roman helmets found in Britain and is believed to have been buried between AD 43-50 during the Roman conquest of Britain.

6 Legal Issues

- 6.1 Ensuring the most appropriate legal status of the new governance structure will form a key part of the feasibility study, with a firm recommendation being established. For example the governing body could have charitable status and be a company limited by guarantee, operated by a board of trustees

7 Resource Issues

- 7.1 Whilst the feasibility work is undertaken, and the transference to the new independent structure, it is necessary to maintain the current level of funding for the ongoing operation of the Museum. Currently the budget allocated to Harborough Museum is £48,000
- 7.2 The Councils Cultural Services Manager to be involved in progressing the business planning process and ensuring the timescales are adhered to.

8 Equality Impact Assessment Implications/Outcomes

- 8.1 The full equality impact assessment will be undertaken as part of the project development and will consider the impact of any changes on Visitors as well as staff and stakeholders.

9 Impact on the Organisation

9.1 It is anticipated that Harborough Museum will be established as an independent entity. Whilst there will remain involvement by the District Council in its management and operation, a key requirement will be that a business plan is developed that allows for the financial dependence on the Council (and County Council) to diminish over an agreed timescale. It should be recognised that the financial plan and associated income streams cannot be established overnight, and will be the pivotal factor in the success of the project

10 Community Safety Implications

10.1 None associated with this report

11. Carbon Management Implications

11.1 None associated with this report

12. Risk Management Implications

12.1 There are a number of risks associated with the Museum transferring to a single governing body structure, with the key factor being the establishment of a solid financial model to underpin the day to day operation of the Museum.

12.2 Recruiting a board of trustees with the right experience and knowledge to oversee the Museum operations and strategic vision for the long term sustainability. Recognising that this can only be achieved by having a business like approach.

12.3 Transfer / recruitment of staff for the day to day operation of the Museum – there may be some issues with employment legislation. This will need reviewing at an early stage to ensure it does not impinge upon the project plan timescales

12.4 A final consideration is the future location of the Museum taking into account the property review of the Councils assets currently being undertaken. It is recognised that a twin track approach to identifying and relocating the Museum needs to be considered at the same time as reviewing the governance structure.

12.5 A comprehensive risk register and risk log will be drawn up as the project progresses.

13 Consultation

13.1 All partners support the planned approach to review the governance and operational structure of the Museum. When a firm proposal for the proposed governance structure has been developed there will be wider consultation throughout all organisations currently involved, along with staff and public consultation,

14 Options Considered

14.1 Members have identified that a review of the Museum has to take place, and to continue to support the Museum in the same manner is not an option

14.2 The Museum Keeper has visited a number of independent museums to review their governance arrangements and discuss how they operate. This information will be fed into the feasibility study to ascertain the best options, based on other similar models of operation.

15 Background Papers

15.1 None

Previous report(s): None

Information Issued Under Sensitive Issue Procedure: N

Ward Members Notified: Portfolio Holder notified

Appendices:

A. Report to HLF

B. Draft Terms of Reference Project Board

C. Project Plan and milestones

D.