

Part I

Electoral Divisions affected:
Burnley Rural, Fleetwood
East, Lancaster Central,
Rossendale South, and
Preston South East

Evaluation of Detailed Applications for Museums
(Appendices 'A', 'B' and 'C' refers)

Contact for further information:

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Executive Summary

On 11 May 2016 the Cabinet Member for Environment, Planning and Cultural Services agreed the selection and evaluation criteria to be used in the identification of organisations with whom the county council could enter into negotiations for the transfer of the 5 museums identified for closure.

The county council has received four applications from organisations wishing to take over the 5 museums, and these applications have been evaluated in accordance with the agreed criteria.

This report provides details of the evaluations, and provides a number of recommendations for a way forward.

Recommendation

The Cabinet Member for Environment, Planning and Cultural Services is recommended to agree:

1. to the closure of the 5 museums (Judges' Lodgings in Lancaster, the Maritime Museum in Fleetwood, the Museum of Lancashire in Preston, Queen Street Mill in Burnley and the Helmshore Mill in Rossendale on 30 September 2016, and move all of the 5 museums into a 'care and maintenance' regime;
2. that negotiations commence with the organisations who have submitted applications in respect of taking over the museums;

3. that the negotiations at 2. above be concluded as quickly as possible, with a view to effecting transfers as soon as practicable, with a target date of 31 December 2016;
4. to note the non-compliant application received from a number of Museum's Service staff in relation to one of the museums, and ensure that their interest is taken into account as negotiations for the transfer of that museum progress;
5. that subject to the negotiations at 2 above being satisfactorily concluded, a report be prepared for the Deputy Leader to agree to the asset transfers taking place.

Background and Advice

Officers of the County Council and Members of the Cabinet Working Group for Museums have been working over the summer to provide information, support and assistance to a number of organisations who have expressed an interest in taking over the 5 museums identified for closure.

A number of meetings and workshops have been held in each of the 5 museums, where information has been shared and networking opportunities have been fostered.

This work has culminated in the receipt of four applications by the deadline date of 2 August 2016.

Officers have undertaken an evaluation of the applications, in accordance with the evaluation criteria approved by the Cabinet Member, and the resultant scores are contained within Appendices 'A', 'B' and 'C'.

The results of the evaluation have been shared with the Cabinet Member Working Group for Museums, and they have endorsed the recommendations contained within this report.

A summary of each of the applications is as follows:

A. Organisation 1 (for the Judges' Lodgings)

This application is of very high quality, and has been deemed by the officers undertaking the evaluation as an exemplar offer. The applicants have articulated their vision for the future of the museum very clearly, and their business plan for the future stands up to scrutiny. They have clear financial objectives and have not requested any ongoing financial support from the County Council. Their business model is based on the use of volunteers, with some paid staff, and the group contains a wide ranging mix of professionals and experts in the field. They have identified a wide variety of income generating opportunities and have a very clear

understanding of the community need and how they will meet it.

The recommendation in respect of this application is for officers to proceed immediately with negotiations to effect a transfer, with a view to concluding negotiations by 31 December 2016. The museum will move into a 'care and maintenance' regime from 1 October 2016, whilst negotiations take place. One of the key features of the negotiations will be the arrangements for the current contents of the museum, which include a valuable collection of furniture, which the County Council and the applicants are seeking to cover by a lease arrangement.

B. Organisation 2 (for the Maritime Museum in Fleetwood)

This application is also of very high quality. The applicants have a very good understanding of community need and have identified a number of opportunities to enhance the existing service. They have already obtained additional funding from the Parish Council and their financial position is stable. Officers have arranged to meet with the applicant to request a small amount of additional information in relation to the business plan in terms of financial projections going forward (existing accounts have been supplied).

The recommendation in respect of this application is for officers to proceed immediately with negotiations to effect a transfer, with a view to concluding negotiations by 31 December 2016. The museum will move into a 'care and maintenance' regime from 1 October 2016, whilst negotiations take place. One of the key features of the negotiations will be the arrangements for the transfer of the lease for the building (which is owned by the District Council), and arrangements for the current contents of the museum, which the County Council and the applicant are seeking to cover by a lease arrangement.

C. Organisation 3 (for the Museum of Lancashire)

This application is based on a consortium. The offer demonstrates a good understanding of community need and contains a number of potential opportunities to enhance the current service. The offer is based on a business case which has been prepared on behalf of the consortium by a consultant. The business case contains four possible business models, based on the transfer of a number of buildings on the site, and the possible merger of the museum with another north west based museum (for operational management purposes).

The main concern with each of the business models on offer is that each of them requires an ongoing revenue contribution from the County Council (and Preston City Council). This was not the basis of the invitation for expressions of interest, which was on the basis of no ongoing financial liability for the County Council. However, officers' assessment of the offer is that the staffing costs contained within the business case could be reduced, with greater use of volunteers, and some of the other costs (operational running costs) could also be reduced.

The recommendation in respect of this application is for officers to proceed immediately with discussions with the consortium, with a view to a better understanding of the financial position of the offer. If the offer is wholly reliant on a financial contribution from the County Council then the recommendation is to halt the

negotiations and assess the position at that point.

If the financial position can be revised, resulting in no on going costs for the County Council, then the recommendation is to conclude negotiations for a transfer by 31 December 2016. The museum will move into a 'care and maintenance' regime from 1 October 2016, whilst negotiations take place. Arrangements for the current contents of the museum will also need to be considered, with a view to entering into a lease arrangement for the current contents that belong to the County Council.

D. Organisation 4 (for the Queen Street and Helmshore Textile Mills)

No detailed applications have been received in respect of the two mills. However the Chief Executive of a national body has written to the Chief Executive of the County Council to request that further time be given for their Board to consider putting forward an offer for the mills.

The Board is due to meet in September. If the outcome of the meeting is positive and an application is received then the recommendation in respect of the 2 mills is for officers to commence detailed negotiations with the national body in September, with a view to effecting a transfer of the mill museums as soon as practicable, on terms acceptable to the County Council.

E. Staff Proposal

A staff application in respect of a particular museum has been received but the application could not be evaluated, on the basis that it was a proposal to work jointly with another organisation, should such an organisation step forward with an offer to take over a particular museum.

The recommendation for this application is to note the offer, and ensure that the interest is taken into account as negotiations for the transfer of that museum progress.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The risk of not accepting the recommendations contained within this report are that the 5 museums identified for closure will not re-open under the operation and management of alternative organisations. This would mean the loss of a museum service in the 5 locations, and the significant impact this would have on communities in Lancashire, and beyond.

There is a risk that detailed negotiations will not ultimately result in the transfer of one or more of the museums, resulting in the loss of the service. Officers will use

their best endeavours to negotiate the transfers, in the best possible terms for the council.

Legal

The Legal considerations in relation to the transfer of the 5 museums are not insignificant. As well as the transfer of the premises, a key legal consideration is in relation to the collections currently contained within the museums. There are a number of possible options for dealing with the ongoing care and maintenance of the collections, with the optimum solution likely to be long term lease arrangements. The Director of Legal and Democratic Services will lead on the negotiations in respect of the transfers.

Financial

As part of the budget decision in February 2016 to close the 5 museums, a reserve of £500,000 was put in place to ensure sufficient funds were in place to enable discussions and negotiations to take place regarding transfers. To date, the reserve has been used to enable staff to remain employed within the 5 museums and for the museums to remain open for the summer period whilst expressions of interest were being sought. By the museum closure date of 30 September 2016 the £500,000 will be fully committed.

In order to move to a care and maintenance regime for the 5 museums from 1st October 2016 whilst detailed negotiations take place with the interested parties, funding in the order of £29,000 per month, from reserves, will be required.

Human Resources

The staff who currently work in the 5 museums are included in the ringfences for the wider restructure of the Libraries, Museums, Culture and Registrars service. Detailed negotiations with the organisations who have submitted detailed applications will include discussions regarding existing staff.

List of Background Papers

Paper	Date	Contact/Tel
Museum transfer – Proposed Application form and Evaluation and weightings Criteria	11 May 2016	Julie Bell/01772 536727
Terms of Reference for the Cabinet Working Group	13 April 2016	Misbah Bhatti/01772 530818
Revenue Budget 2016/17 and Financial Strategy 2017/18 to 2019/20	11 February 2016	Neil Kissock/01772 534715

Reason for inclusion in Part II, if appropriate

N/A