



MUSEUMS INFORMAL SCRUTINY GROUP

Monday 16 December 2013

Eversley Room, Guildhall Winchester

6pm – 8pm

Membership:

Councillors Gemmell (Chair), Collin, Laming, Pearson, Prowse

Observers:

Cllr Mike Southgate

Supporting officers:

Eloise Appleby, Asst Director (Economy and Communities)

Rosanna Clayton, Assistant Directors' Support Officer (clerking)

1. Committee business

Apologies:

Cllr Humby, Portfolio Holder for Economic Development

Absences:

Cllr Read

Appointment of Vice Chair:

Cllr Pearson

2. Terms of Reference

Since the ISG had originally been proposed at The Overview and Scrutiny Committee, the Council had taken a decision to create an independent, charitable trust with the County Council through which to deliver museum services from 2014.

Consequently, revised terms of reference had been circulated prior to the meeting. These were approved by the Group as follows:

“To support the establishment of the new cultural trust during its early implementation phase, and to consider in particular the implications for the Council arising from:

- a) Its relationship with the trust as a registered charity, and*
- b) The outsourcing of the service.”*

Proposed programme of work: Following discussion, the Group agreed that it should:

- seek to clarify the Council's expectations for service delivery by the Trust, although Mrs Appleby pointed out that there would not be a detailed service specification as part of the funding agreement;
- understand the project timetable and shape its work accordingly;
- consider the safeguarding of the collections, for example in terms of ensuring that the Council had a record of all objects passed to the care of the Trust;
- support the development of key legal documents;

During the discussion, it was established that

- a) the Trust would and should be free from political control, and that the local authority trustees would have their first loyalty to the trust and not the local authorities;
- b) the ISG should not seek to involve itself in the detail of Trust operations, as that would be down to the trustee board and paid executive officer. However, the ISG could usefully offer thoughts about directions of travel and local aspirations.

It was agreed that other museum stakeholders should be invited to contribute to future ISG meetings, particularly the Cathedral and the Military Museums. Worthy Down and The Royal Armouries Fort Nelson were also suggested.

3. Review of findings of previous Museums ISG

Mrs Appleby explained that an earlier ISG on museums had been convened in 2006/07, and this had given rise to the first Forward Plan for Museums covering the period 2007 – 2010. Copies had been circulated prior to the meeting.

The Forward Plan reflected that ISG's recommendation that the Council should work more closely with Hampshire County Council, and the Trust was effectively one of the outcomes of the ISG.

Members asked for an update on the action plan of the Forward Plan to be presented at a future meeting.

When asked how closely the Trust might work with other stakeholders in future, Mrs Appleby explained that a Hampshire Museums Alliance had already been established and that the Trust would sit at the heart of this in future.

Members asked for statistics on people using the museums and the resources (eg research on collections) for a future meeting.

4. Context for the ISG: Hampshire-Solent Cultural Trust – Developments to Date Eloise Appleby, Asst Director (Economy and Communities)

Mrs Appleby made two presentations. One had been previously used at an all-Member briefing prior to the Cabinet decision in October that had confirmed the Council's decision to establish the Trust. The other had been more recently compiled and showed the latest steps of the project team in relation to the formal registration of the charity, the nomination of trustees etc. Both presentations are attached to these minutes.

It was made clear that each of the Councils will nominate one trustee (not necessarily a Member) and that the relevant Portfolio Holders will also be entitled to join the Board as observers.

An interim board is being established for a period of 18 – 24 months to oversee the creation of the Trust and the transition period. A full term trustee board will be appointed subsequently.

Members stated that a Chairman, Treasurer and Legal Officer need to be appointed on to the Board of Trustees in order to achieve charity status.

Mrs Appleby confirmed that lawyers are currently producing a draft memorandum and articles for the Trust, and these will be available for the ISG to inspect after Christmas.

The interim chair will be appointed in January by the project team. Input and suggestions welcome from Members.

5. Work Programme – Group Discussion

Members asked for the HR Manager, Jamie Cann, to be invited to a future meeting at which staffing matters can be discussed, particularly in relation to TUPE and pensions.

At the second meeting, Members wished to clarify the Council's ambitions with regards to what the Trust might achieve for the Winchester District. Members agreed to set down some ideas in writing relating to this by Monday 23 December.

Mrs Appleby offered to send out a summary of the stakeholder and public consultation findings.

6. AOB

Meeting 2 – find another date, early Jan. Doodle Poll to be distributed shortly.
Monday 27th Jan at 6pm – 3rd meeting.

Links to October Cabinet report and appendices (background papers are hyperlinked at the end of the report):

[CA2518 – Cabinet report](#)

[CAB2518 - BACKGROUND DOCUMENT - Public Consultation Brief Executive Summary](#)

[CAB2518 - BACKGROUND DOCUMENT - Full Risk Assessment](#)

[CAB2518 - BACKGROUND DOCUMENT - Financial Model \(Cautious\)](#)

[CAB2518 - BACKGROUND DOCUMENT - Draft Partnership Agreement](#)



MUSEUMSINFORMAL SCRUTINY GROUP

Thursday 16 January 2014

Mayors Parlour, Guildhall Winchester

6pm – 8pm

Membership

Councillors Gemmell (Chair), Collin, Pearson, Prowse, Read.

Supporting Officers

Robin Iles, Curator/ Education Officer, Winchester Museums

Eloise Appleby, Assistant Director (Economy and Communities)

Rosie Clayton, Assistant Directors' Support Officer (clerking)

MINUTES

1. Committee Business

a) Apologies

Cllrs Humby and Laming

b) Minutes of Previous Meeting on Monday 16th December 2013

Agreed as an accurate record of the meeting.

c) Matters Arising (inc Member aspirations for the Trust)

Members were keen to ensure Board members have commercial skills as well as being knowledgeable about 'stones and bones'. A key concern was to keep the collections accessible and open to all. Cllr Prowse had submitted some considerations and these can be found at Appendix 1 to these minutes.

With regards to bringing in other stakeholders, Lt Gen Sir Christopher Wallace (Chair of Winchester's Military Museums) has agreed to attend the next meeting, and a volunteer from the Cathedral is being sought.

Jamie Cann, HR Manager, will also attend the next meeting.

2. Overview of Museums Operations: Robin Iles, Curator/ Education Officer

Sites and staff:

The three main sites are the City Museum, Westgate Museum, and City Space (temporary exhibition in the Discovery Centre). Approximately 100,000 people visited during the last financial year across the three sites which are run by staff and volunteers. There are also smaller exhibitions in the Guildhall

and Market Lane. Winchester City Council currently employ 1 part time and 5 full time members of staff.

Care of the collections:

The main purpose is preservation for posterity. Curation involves preventative conservation (ensuring they survive for future generations), cataloguing, documentation and research to help improve knowledge and access to collections. Making them accessible is a key priority.

Archaeological finds:

Includes pottery, bones, and all items from local excavations (including developer excavations). Winchester is primarily interested in regionally important items. The archives are also important to give information about the objects.

Local and recent history:

The collection includes items made in Winchester, used in Winchester, or made by someone from Winchester. It holds a large collection of photographs (approx. 45000). Collections also include very recent historical items such as Olympic items.

Civic Silver and the art collection: (Curator Ross Turle)

Winchester City Council also curate the collections seen in Abbey House, The Guildhall and in store. These are used in Mayor's Choice each year.

Education sessions:

Winchester City Council provides support for schools visiting museums and hold a small collection of artefact loan boxes that to go out to schools. KS2 children visit museums frequently, depending on what topics they are studying. The museums service delivers talks and lectures in partnership with other organisations. Tours of the stores are available as well as the museums. The service also delivers district and community outreach, including re-enactors eg Bishops Waltham Show.

Publications programme – written update to be provided by Helen Rees, Curator of Archaeology.

City Council Website:

Members were largely impressed by the content they had found, although in future the Trust would need to improve the level of interaction with different customer groups.

The Museums Service also has an online collections website and a Facebook page.

Community archaeology:

There is not currently capacity to provide pro-active work in this area, so the team tends to play a supporting role for community projects such as the annual WARG dig.

Merging two services:

There does not appear to be an issue with duplication between the City and the County collections. In the days of rescue archaeology before developer funding, many archaeology collections were brought in to the stores without being processed properly. Staff are in the process of going through the

collections to dispose of material which does not need to be kept long term, e.g .brick and tile, soils. Winchester Museums are predominantly concerned with objects which tell the story of the Winchester District. Merging the two services should lead to complementarity rather than overlap..

There was concern as to whether the Trust would be stretched/ challenged by the expansion of its area of operation. Mrs Appleby explained that staffing levels and responsibilities were unlikely to change much in the early days of the Trust so there should be no sense of 'stretching' of the current capacity. However, over time, the Trust will almost certainly restructure to meet demands or new opportunities. A wider team of people means that resources will be allocated where they are most needed. This serves to open up capacity rather than stretch it.

The Trust is to sit at the heart of the cultural heritage of the county. It is independent, and not simply a merger of the two services. Hampshire County Council only have one trustee on the board, as does Winchester City Council. Therefore choosing the right trustee is crucial. The Trust will seek to work in new ways and drive innovation in the sector.

3. Museums Forward Plan 2007 – 2010: Review of Action Plan: Robin Iles, Curator/ Education Officer

Members asked about links with the Winchester Excavations Committee. Mrs Appleby replied that this was essentially independent of the City Council, although Members and officers were on the Committee. Members emphasised the importance of the work of Prof Martin Biddle and asked officers to ensure that he was properly engaged over the move to the Trust.

Members queried whether the work of the Historic Environment Officer (Archaeology) was in the scope of the Trust. Mrs Appleby explained that it was not, but that there were obvious links between that role and the interests of the Trust. Members asked that a clear and effective line of communication be established between the Trust and the Historic Environment Team in future.

Officers stated that one disappointment noted in the Action Plan was that an application for Designated Status for the archaeology collection was turned down. Further application has been shelved whilst the Trust is under development and the Designation process is being reviewed.

4. Draft Collection Loan Agreement: Eloise Appleby, Assistant Director (Economy and Communities)

The document sent to Members is an early draft. The proposed Management and Funding Agreement and Property Agreement will follow in due course. The model agreement presented at the meeting will be adapted for Winchester City Council use.

The following questions/issues were raised by Members, for officers to pursue in drafting the Collection Loan Agreement:

a) Ownership:

The Agreement provides for a loan of the collections for a rolling 25 year period. It should be clear about the process and beneficiaries of any disposal of artefacts.

Who will take ownership of items acquired by the trust when it is dissolved?

Can anything come into possession of the council if it is not owned or loaned?

Where does ownership come from? Is it only from long term lending or donation, or are there other kinds of 'ownership'?

Mrs Appleby said that these issues had all be discussed by the Project Team and that the Agreement would be clear about them. For example, if the Trust were to fail, any newly acquired objects would go to the Council with whose collecting policy (as at 2014) it best fitted.

b) Insurance:

Responsibility for insurance is covered in the forthcoming Management and Funding Agreement. Cross-referencing may be needed between the two Agreements in relation to insurance for the collections. The City Council carries on with the insurance in the same way as is currently provided, and The Trust will take on additional insurance for its own assets.

Members agreed that due to shortage of time, the Agreement would be revisited at the next meeting.

5. Work Programme

There have been two items carried forward from this meeting (HR issues, and the Collections Loan Agreement), therefore an additional meeting may be required.

The final Cabinet decision on Trust matters is likely to be deferred from its original March date, so there is more time for the ISG to finalise its recommendations.

6. AOB

Abbey House:

Members wished to ensure that adequate care would be provided for the collections on display at Abbey House. Officers responded that the art collection is part of the wider Museum collection, and everything owned by Winchester City Council is catalogued. As such, the pictures in Abbey House would be loaned to the Trust and cared by for the Trust. Estates have an asset register for Abbey House. Civic Silver is not going to be loaned to the Trust.

DATE OF NEXT MEETING:

Monday 27th January 2014 at 6pm.

Appendix 1:

Comments from Cllr PROWSE

How the trust is set up will be absolutely critical to its success.

With regard to governance, my concerns are

- Lack of clarity about how the Trustees are appointed. Who makes the decision - both initially and ongoing? We also need to make sure that the Memorandum and Articles protect the method chosen (i.e. they can't be rewritten to get rid of Council nominees)
- The importance of getting the charitable aims right - since these are a critical accountability method

Very important that the deeds of trust are very robust about the aims of the organisation. I would be keen include education and access to all sectors of society and not be too focussed on tourists - my local kids need to have access too and be excited by history.

Whilst I see the need for research, in the current environment I believe it's important to get the finances and providing services to the general public right first and make sure we have a museum service.

The board members will also be a key success factor - they need to have commercial - money making - experience but with a strong public service ethos. There needs to be a balance of people who are into the stones and bones and others who are focused on providing an exciting and interesting experience for visitors else it will fail. That's not to say those two attributes can't be found in individuals!



MUSEUMS INFORMAL SCRUTINY GROUP

Monday 27th January 2014

Mayor's Parlour, Guildhall Winchester

6pm – 8pm

Membership

Councillors Gemmell (Chair), Laming, Pearson, Prowse, Read, Weir

External Speakers

Lt Gen Sir Christopher Wallace, Chair of Winchester Military Museums.
Annabelle Boyes, Receiver General, Winchester Cathedral.

Supporting Officers

Jamie Cann, HR Manager

Eloise Appleby, Assistant Director (Economy and Communities)

Rosie Clayton, Assistant Directors' Support Officer (Clerking)

7. Committee Business

d) Apologies

Cllr Collin

e) Minutes of Previous Meeting on Thursday 16th January 2014

Agreed as an accurate record of the meeting.

8. Partnerships: A Stakeholder View of the New Trust

a) Lt Gen Sir Christopher Wallace, Chair of Winchester's Military Museums

Each Military Museum is its own Independent Charitable Trust. They are MOD partnered museums, all of which are accredited, requiring them to meet the minimum standards as outlined by the Arts Council. First line support comes from the Museum Development Service, funded by Arts Council England. The Museums Development Officer is located in Chilcomb, and is not currently funded by elements that will sit within the Trust. This officer will continue to lie outside of the Trust, and remain employed by Arts Council England.

Current links and working relationships between the Military Museums

Each of the Military Museums in Winchester has close working relationships with the other. Dr Geoff Denford (Head of Museums, Winchester City Council) was the Museums Mentor to one of the Winchester Military Museums. The Council's Museums Service has been helpful in this respect. Military Museums have recently sought advice from Winchester City Council on specific projects, and this has been reciprocated - for example, for the centenary 1914 project. Other places of historical importance are also located in the Barracks, including the Castle, The Great Hall, and the Palace. A lot of knowledge has been obtained from these sources, and information is currently shared on a costless basis.

Winchester Military Museums Own Plans

The main plans are to develop the Military Museums, and to market them as a single visitor attraction. The Museums have approximately 50 thousand visitors per year (aggregate). Another key aim is to function more effectively as a group, and to become more self-sufficient, independent of MOD funding. The Winchester Military Museums all aim to raise their profile in the local community.

Most important considerations for future good working

Personal contact and personal relationships are key. This includes face to face contact. It is key to recognise that in changed circumstances, each museum will still be able to help the other.

Considerations for the new Trust

- The new Cultural Trust is encouraged to become entrepreneurial. With regards to Winchester Military Museums, will this mean that there is no free information and resource sharing?
- There is a concern that the Council will see an opportunity to cut its ties. There is potential scope for some rationalisation and saving, but this should be for administrative functions, rather than for curatorial posts. Multi-skilled curators are increasingly sought after.
- Although there are concerns to be addressed, there remains a feeling of optimism about the Trust.

Questions from Members:

Are the artefacts in the Military Museums donated or bought?

95% of material is donated. All museums have reached a stage where they have such large collections that there is concern in expanding collections. The aim is to achieve quality over quantity, and consequently there is a need to dispose of items no longer required in accordance with Museums Association guidelines. An endowment fund is available for acquiring quality items.

In merging Hampshire County Council and Winchester City Council collections, how will we establish the ownership of the artefacts?

Military Museums are not coming into the partnership of the Trust, and just wish to be part of the collaboration. The museums sector is discouraged from making permanent loans. Fixed term renewable loans are encouraged, and the majority of loans to the museums by individuals are on a fixed term. The Rifles museum has far fewer loaned items than before, with loans that originated as long ago as the 1920s and whose owners can no longer be traced being treated as donated. Reputational risk is a key component of any organisation.

Who is responsible for the insurance?

The Rifles museum has loaned approximately 20% of its collection to the Soldiers of Oxfordshire Museum. Soldiers of Oxfordshire and Soldiers of Gloucestershire are good examples of partnership working. In regards to the items on loan to others, the receiving museum is responsible for insurance. This includes accidental damage. Insuring for reparation costs is approximately 10% of the cost for full insurance. In the case of The Rifles museum some items loaned to the museum are insured by the owners. The Royal Green Jackets (Rifles) Museum has also deposited its archives at Hampshire Records Office, to whom the Museum makes periodic goodwill donations (not a fee). The archives remain in the ownership of the Museum.

How long have the Military Museums held Charitable Trust Status?

Each of the military museums has held charitable status since their inception, which varies. The Rifles (formerly Greenjackets) museum has been a charitable trust since 1989, and has applied to convert to a charitable incorporated organisation.

Strong lines of communication need to be maintained to preserve the strong working partnership that exists between Winchester City Council and the Military Museums. There may be potential for formal partnership in the mid to long term.

b) Annabelle Boyes, Receiver General, Winchester Cathedral

The Cathedral has a good historical working relationship with Winchester Museums Service. They use the museums to help support projects and exhibitions. The Cathedral does not have museums status, despite its artefacts and historical significance. Museum status would be a constraint on the current internal expertise. They are currently not looking to be accredited. The Cathedral does not want to be a museum as it is primarily a spiritual space.

Findings, Archives and Artefacts

The long term care of the findings from excavations are currently with the museums service. The Cathedral works well with the museums across the city, and deposits a large amount of fragments and artefacts. There is a lot of paperwork (eg museum deposit form) which is administered by the museum, as the Cathedral has no museum status for its archival material. The Cathedral also uses Hampshire Records Office. The law is quite restrictive on what can be loaned/owned from churches, and the Cathedral is anxious retain ownership of deposited items.

Staffing

There are currently 71 full time equivalent employees, and in excess of 750 volunteers. The Cathedral has 1 part-time curator. The museums service is therefore vital for specialist advice, and there is a lot of cross-sectional and multi-agency co-working. The Cathedral is keen to hold on to the skills that are there and not lose the expertise of the museums service.

Education and Outreach

The educational service has approximately 25,000 school visits per year. The Cathedral is currently refurbishing its Education Centre. This is due to start in February and reopen in September. With increased premises capacity, 33000 visits could be achieved per year. New outreach projects are being set up. The Morley library is actually a lending library- five books are to be given digital status, through which a person can download an app and take the book away. A forensic archaeology programme will be offered, and the Cathedral is keen to be working with partners to support this. It promotes positive participation, enhanced learning, and innovative story telling. The Cathedral sees itself as integral to the knowledge of the city, and as part of the HLF project has the ambition to create a cultural hub.

Concerns

One of the main concerns from the cathedral is for the cost implications. £24.5m a year will cover the basic conservation, and it costs £10,000 just to open the doors every day.

There is also a concern as to how can we preserve what is great, and ensure the huge wealth of expertise is not lost, and to ensure that the current owners remain the owners.

Questions from Members

In the spirit of enterprise and innovation. Is there anything that HSCT can bring to the cathedral?

We are not competing, but complimenting. There is a need to leave each other with its own specialists. There is scope to do this at regional level as well. Winchester University has particular skills to offer, and potential partners do not have to be within the Trust. Services should be free to source experts from other locations.

What are the disadvantages of being in a charitable trust?

A lot of detail has to be gone through- the financial set-up needs to be sought out, personnel, pensions, and other background issues need to be discussed.

Clear objectives are key when registering companies. Whatever happens, there will be an issue that arises.

9. Organisational Developments: Update on the Recent Staff Consultation and TUPE Proposals - Jamie Cann, HR Manager

Staff

There is a wish to transfer staff to the trust asap to keep momentum going, and to bring in new working style asap. An informal staff consultation process has already taken place. Staff will be finally transferred (ie on the payroll of the new Trust) by April 1st 2015, but could begin partnership work as early as spring 2014 if it proves desirable and technically possible. We have already had examples of partnership working, with positive results.

In the case of an early transfer, Winchester City Council could move staff to Chilcomb (the County Museums HQ) on a secondment basis, whilst still being employed by the City Council. There is a job for everyone who wants to go into the Trust. Hampshire and Winchester have always been complementary rather than competitive, so there will be no redundancies, but there will be a bit of shifting and tweaking of job descriptions. Detailed proposals will go through the personnel committee next month.

TUPE

The law is changing with regards to TUPE. New guidelines are to be published shortly. The Trust will be an independent private company with its own pension scheme, but will honour the LGPS. The new scheme will only apply to newcomers.

Questions from Members

Was the trust structured before the staff roles were discussed (meaning staff are slotted into the structure of the trust), or was the trust structured around the existing staff roles?

A bit of both, in that there was a wish to minimise disruption to staff and operations by adopting a 'lift and shift' approach to transfer. Hampshire County Council has already restructured twice in recent years, with one eye to the ongoing Trust discussions. Winchester City Council has quite a static staff at the moment, but the trust might give new opportunities for development.

10. Draft Collection Loan Agreement - Eloise Appleby, Assistant Director (Economy and Communities)

Members reviewed the draft document (currently based on a model which will be used for the County not the City Council) very thoroughly. A list of their comments can be found at Appendix 1. These will be dispatched to the Project Team for consideration by the legal officers.

11. Review of Work Programme

Management and Funding Agreement to be discussed at a separate meeting, when available. Property lease agreement to be brought to the next meeting.

Howard Bone to be invited to next meeting.**DATE OF NEXT MEETING: 12 February 2014, 6p – 8pm, Wickham Room**

Appendix 1: Member Comments on the Draft Collections Agreement

P1 – A

Suggest that a definition should be provided for arts, museum and heritage services

P1 – C

Queried precedence of legal documentation – there is a suggestion in the Agreement (although I still can't find it) that this Agreement would outweigh any others in terms of ensuring that the Trust did the right thing by our collections. Our Members wanted to check this as they felt that the Mem and Arts would outweigh any other legal document to which the Trust signed up, if there was any conflict between the two.

Delete 'permanent' as the loan is for a fixed term period and will never be anything else

P2 – Collection database

Prompted a fair amount of discussion: need to be sure what is included in this, and agree some way of ensuring that it is 'quality checked' by each Council before hand-over. A general feeling that the database as currently referred to is not adequately defined, nor an appropriate standard set.

Each Council should retain a copy of their relevant database on hand-over, against which items could be checked on return, and that updates would need to be provided during the life of the Agreement.

Some indication is needed in the Agreement about where/how this database would be kept by the Trust – including emergency back up copies etc.

P4 – G

Suggest fax is not acceptable. Not only is it no longer widely used, but fax transmissions fade over time.

P4 – 3.2

How will we know if the Collection is being managed in accordance with these standards?

P4 – 3.3c

This triggered a more general discussion about insurance (following the presentation by Sir Christopher Wallace) about considering insurance for 'repair' rather than 'replacement' of the items we have traditionally considered irreplaceable.

P5 – 4.1

There should be a limit to the amount (and possibly the significance) that either Council could withdraw / remove from the Trust's care or it could leave a big whole in the collection. This has just happened to WCC with the Cathedral's decision to take back two of their stones which are central to our displays at City Museum. Needs to cross-refer to para 4.17 On the same point, this clause should be cross-referred to section 4.9

P6 – 4.13

Members felt strongly that the Trust should not have to have the Councils' consent to acquire new objects (see previous email about the funding of these, which we equally don't feel is the responsibility of the Councils).

Same point, footnote 15 – Members also felt strongly that the Council should not have to buy back any object – at market rate or otherwise – if the contract came to an end, given the amount of money it would be investing in the provision of the service over the years.

P7 – 4.16

Reassurance needed that the proceeds of the sale of any object could not be used to fund creditors etc in the event of bankruptcy but could legally be protected in some way.

P8 - f

Should specify a time limit for a response

P8 – g

Add the word 'written' before 'consent'

P8 – i

Is it relevant?

P8 – j

How and where will the specific requirements of the insurers be set out in a way that enables us to judge whether the Trust has used the collections in a way that is not permitted by them?

P8 – m

Members were uncertain that there could be 'fair wear and tear' for objects that were supposed to be conserved as part of the Trust's duties. They have asked for clarity on the definition if this is to remain. (See also p9 – n – i)

P9 – n – ii

Ought to add in that in addition to repair and restoration 'which becomes necessary' there should be ongoing conservation/curatorial care on daily/operational basis

P9 – r

The use of 'from time to time' is confusing – suggests preservation etc will only be 'from time to time'

P9 – t

Comments here and elsewhere about the Trust having a need for clear lines of communication with each Council

P10 – 7.2

Suggests that one Council could terminate the Agreement unilaterally. How would this work, in practice? Would this Agreement ever be terminated before/in isolation from the MFA? Need to clarify.

P10 – 7.2

Notice period needs to be realistic/reasonable, and take periods like Christmas into account

P10 – 7.3

Define 'deliver' in this context! And again define 'reasonable'.

P11 – 7.5

This sounds wrong – ie if a property lease expires, the Trust has to give back all the objects in it?

P11 – 8.1

Not clear what this means.

P15

Who determines which mediation body will be named here?

MUSEUMS INFORMAL SCRUTINY GROUP

Wednesday 12 February 2014

Wykeham Room, Guildhall Winchester

MINUTES

In attendance

Cllrs Gemmell, Read, Pearson, Prowse, Laming

Observers: Cllrs Humby, Weir

In attendance: Eloise Appleby, Howard Bone

1. Committee business

Apologies – Cllr Collin

Minutes of previous meeting – Mrs Appleby explained that she had received some amendments to the minutes from Lt Gen Sir Christopher Wallace, and these would be incorporated into the final version. Other than that, the minutes were agreed as an accurate record of the last meeting.

Matters arising:

a) Cllr Pearson had passed on his contact details for the Royal Logistics Corps Museum. Mrs Appleby had ascertained that the RLC was not due to locate to Winchester until 2018 and therefore it might be premature to invite them to a discussion about the Trust. This was agreed.

b) Responses from HCC legal team had been received in response to the comments raised by Members at the last meeting on the collections loan agreement. It was agreed that these should be circulated by email.

2. Memorandum and Articles

Mrs Appleby explained that the Articles of Association would be owned wholly by the Trust, but that comments were invited from both councils for the Trust's lawyers and officers/trustees to consider.

Members considered went through the draft document, and their comments are recorded at Appendix 1 for consideration by the relevant project officers and their legal advisers.

In discussing the document, one Member asked what information would come to the wider Members (eg Annual Report and Accounts) and how. It was agreed that some form of scrutiny procedure may need to be developed – for example, an annual report to the Overview and Scrutiny Committee. It was agreed that this should be one of the recommendations of the ISG to Cabinet.

3. Trust Status: Features of a Charitable Trust and Implications for the City Council

The Head of Legal and Democratic Services was in attendance and explained the following:

- Benefits of the Trust include access to new sources of grant aid.
- There are various forms of charitable body – this one is limited by guarantee following a consideration of the options early on in the project (reported back to Cabinet at the time).
- Relationship with City Council – the Trust will be completely independent; connections through the various legal agreement and ongoing monitoring via Portfolio Holder.
- Council's nominated trustee - first duty will be to the Trust not the Council, although they will consider impacts on Council of decisions being made. He will not be able to vote on funding decisions at the Council. In answer to a Member question, Mr Bone confirmed that guidance had been given to the proposed Member trustee around his role and responsibilities.
- This situation is unique because of the transfer of staff and property, so closer scrutiny – particularly in the early years – would be beneficial (as identified above)
- In answer to a Member question about possible disadvantages arising from the formation of the Trust, Mr Bone confirmed that the Council would lose control over the operation of the Trust and also flexibility in terms of budgeting which might put pressures on other Council budgets. These disadvantages had been set against a number of potential advantages, around new sources of funding, project work, resilience and savings over the longer term.

4. Draft Property Lease

Members then turned their attention to the Property Lease, which was a model developed in the first instance for Hampshire County Council relating to the long term loan of all Council-owned or –leased buildings required to operate the service.

It was explained that services would be provided and paid for by the Councils at the current rates, and any additional usage would be recharged to the Trust.

The following observations were made:

- 3.12 Should specify in definitions that notice in writing would be acceptable in electronic form
- 5.19 Landlord would provide the asbestos register: what would happen if the tenant identified asbestos not previously identified? Similarly, whose liability would it be if there was an occurrence of Legionella?
Need to be clear about responsibilities in relation to maintenance of plant and structures as opposed to day to day management.
- 8.4 Should consider the need to store specialist materials for cleaning / conservation. Also potentially gunpowder for fire arms displays.

5. Review Work Programme

Mrs Appleby proposed that the group be reconvened when the draft Management and Funding Agreement was available for comment.

It was agreed that the Interim Head of the Trust could potentially be called to the ISG in future, subject to requirement.

Members also agreed that no interim report would be prepared for March Overview and Scrutiny, but the aim would be to produce a final report for the following O&S meeting.

The meeting concluded at 20:40

Appendix 1: Comments on the Articles of Association

Definitions – explain what the term ‘Members’ means in this document. It is very unclear at present.

4.1 Objects: add in ‘supporting research’ at (a)

5.1 – (a) seems to conflict with need to generate income through sales – could this be more obviously linked with the potential to generate cash through trading

(f) – how appropriate is this level of flexibility for the Trust?

(o) - if there is a conflict of opinion, could one council override the other?
Presumably not, but this could be clearer – eg add ‘both’ after ‘of’.

6.2 – query about the term ‘reasonable’, but it was understood that this was a commonly used legal term.

12 Lack of clarity about how the voting rights of members might affect decisions of Trustees

12.1 (b) should be ‘fewer than’ not ‘less than’

16 There should be a duty on the Trustees to request a replacement representative on the Board in the event of persistent absentee-ism.

18 Include casting vote of chairman? Although this may not be desirable if the chair is one council’s trustees? Should we specify that the chair should not be a trustee nominated by one of the council? Links to 12 above and similar to 29.6? More thought required around a potential deadlock situation.

Action: Howard Bone to take this area of discussion up in his response.

23.1 Members felt that 16 was very young for the kind of responsibilities incumbent on trustees. Suggested 18 as a minimum.

27.1 (c) this implies that all directors must be members first. That doesn’t sound right?

42.5 correct spelling of ‘by laws’

44.1 this section should refer to the leasing agreements to avoid doubt about whether the property and collections are included in this.

44.1 query about the Trust’s freedom to give the net assets away and not return them to the two founding councils. If we can’t benefit in this way through law (which seems to be the case in 44.3) this would have to stand.

MUSEUMS INFORMAL SCRUTINY GROUP

Wednesday 6 August 2014

Board Room, West Wing

MINUTES

In attendance

Cllrs Gemmell, Read, Pearson, Laming

In attendance: Eloise Appleby, Assistant Director (Economy and Communities)

4. Committee business

Apologies – Cllrs Fancett, Prowse. Also Howard Bone (Head of Legal and Democratic Services).

Minutes of previous meeting – Members noted that one sentence in the draft minutes appeared to be incomplete. Otherwise they were approved.

Matters arising – All comments on legal documentation from the meeting had been fed into the drafting process.

5. Cultural Trust Update

Mrs Appleby provided a brief summary of progress on the project since the last Informal Scrutiny Group (ISG) in February:

- a) The appointment of a full interim board of six trustees, including Chair (Alan Lovell) and Cllr Southgate as the City Council's nominated trustee;
- b) The signing of the Articles of Association of the new Trust, and submission to the Charities Commission for registration, which is currently under consideration;
- c) Registration with Companies House;
- d) The drafting of the Management and Funding Agreement and the Commercial Transfer Agreement, which are the last of the four legal documents which each Council will sign with the Trust;
- e) The museums team moving into the reporting structure of the Trust alongside Hampshire County Council colleagues (following the retirement of the Head of Museums), although still based at the City Council for the time being;
- f) Submission of an application for three year revenue funding to Arts Council England: although unsuccessful, there is now an opportunity to apply for other strategic funds and to use material from the bid for other funding streams.

A great deal of time has been spent on the drafting of the legal agreements and also on the refining of financial papers (budget, cashflow projects etc).

Both Councils have had reduced capacity to deal with the Trust project due to other corporate project commitments. Although the County Council did proceed with its final decision report in July as planned, the City Council's report will be going to Cabinet in September. This had the advantage of giving the trustees more time to approve the legal and financial documents.

The County Council is providing 'back office' support (payroll, finance, HR etc) as part of its funding package. Much of this will be through the new Integrated Business Centre. However, latest indications are that this will not be configured for the Trust until January 2015 so this may require some temporary arrangements to be put in place if transition proceeds in October as planned.

The Charity Commission queried the role of the two trustees nominated by the local authorities. The wording of the Articles was therefore adjusted so that these trustees play no role on formal decision-making on financial or legal matters relating to the relationship with the Councils. Members of the ISG were disappointed to hear this.

6. Management and Funding Agreement (MFA)

Members reviewed the draft MFA which defines the relationship between the Council and the Trust, including the grant payments, reporting, financial distress and termination.

Section 6 – Although this issue is relevant to the County Council version of the Agreement rather than the City Council, Members felt some specific wording should be included to the effect that the City Council was not liable for these payments and could at no point be expected to offset the loss/reduction of them.

Section 7 – Although this issue is relevant to the County Council, it prompted questions about the timing of grant payments. Members were informed about the proposed front-loading of the annual grant in the early years of the Trust, to deal with cashflow and retrospective reimbursement of other grants. They felt that this should not be standard practice, but in recognition of the fact that the Trust was starting from scratch with no reserves they agreed to defer to the judgement of the Chief Finance Officer at the City Council on this matter.

Section 9 – Members felt the figure of £50,000 was too high, even for capital expenditure.

Section 10 – Members asked if the key items from the Trust's business plans could be monitored using the Council's 'Covalent' monitoring system Mrs Appleby felt this might be possible, but did not need to be reflected in the Agreement.

Section 11 – Members wished to ensure that any monitoring paperwork would be supplied by the Trust at least a week in advance of meetings.

Section 24 – Members asked how a concern about poor performance might be triggered.

Members noted a number of paragraphs where a final decision or detail was still to be determined, and noted that discussions continued around issues such as redundancy payments, pension contributions, staging of the grant payments and so on.

4. Committee Decisions

Member input from the ISG meetings has already been fed into the legal drafting process in order to ensure that ISG recommendations could be dealt with before the final decision report on transfer to the Trust comes to Cabinet in September. Consequently, Members felt that there was not a need for a report to Overview and Scrutiny, as recommendations had already been picked up and acted upon.

However, they made the following requests for further action:

- a) That consideration be given to the fact that the September timing of Cabinet would not allow for the final decision paper to be reviewed by The Overview and Scrutiny Committee in advance.
- b) That the final decision report set out a mechanism for Member monitoring of the performance of the new Trust for the first two years of operation. Members suggested that the ISG be maintained and reconvened no more than twice a year for this purpose.
- c) That the final decision report clarifies plans for future care and conservation of the Civic Silver which is excluded from the scope of the project. This may need to be through a separate agreement with the Trust, a local silversmith or another organisation.

Members believed that the various Agreements appeared to be in the best interests of all parties – the two Councils, the public, and the Trust itself.

5. Review Work Programme

Members agreed that there would be no further meetings of the ISG in relation to its current terms of reference.

The meeting concluded at 20:05