

## Decision Report – Cabinet Decision

decision date – 10 June 2019

### South West Heritage Trust Annual Report and Future Funding Arrangements

Cabinet Member(s): Cllr David Hall – Cabinet Member for Economic Development, Planning and Community Infrastructure

Division and Local Member(s): All

Lead Officer: Michele Cusack – Director of Commissioning, Economic and Community Infrastructure

Author: Jon Doyle – Service Manager, Community Infrastructure

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	<b>Seen by:</b>	<b>Name</b>	<b>Date</b>
	County Solicitor	Honor Clarke	22/5/19
	Monitoring Officer	Scott Wooldridge / Honor Clarke	22/5/19
	Corporate Finance	Sheila Collins	29/5/19
	Human Resources	Chris Squire	22/5/19
	Property	Paula Hewitt / Claire Lovett	23/5/19
	Procurement / ICT	Simon Clifford	22/5/19
	Senior Manager	Paula Hewitt	23/5/19
	Commissioning Development Team	Vikki Hearn	22/5/19
	Local Member(s)	<u>All</u>	
	Cabinet Member	Cllr David Hall	22/5/19
	Opposition Spokesperson	Cllr Simon Coles	31/5/19
	Relevant Scrutiny Chairman	Cllr Anna Groskop for Scrutiny Place	30/5/19
<b>Forward Plan Reference:</b>	FP/19/05/05		
<b>Summary:</b>	<p>This report summarises the performance and achievements of the South West Heritage Trust for the period of operation from 1 November 2017 to 31 October 2018.</p> <p>It also highlights the end of the current five year funding agreement and recommends a proposed approach to the funding of heritage activities for the next five year period.</p>		

<p><b>Recommendations:</b></p>	<p><b>That the Cabinet:</b></p> <ol style="list-style-type: none"> <li>1. Welcomes and considers the Annual Report of the South West Heritage Trust (SWHT) for the 2017/18 period</li> <li>2. Agrees in principle to the award of a new annual grant to the SWHT at the level set out in this report for a period of five years from 1 November 2019;</li> <li>3. Pursuant to recommendation 2 above, delegates authority to the Director of Economic and Community Infrastructure, Commissioning, in consultation with the County Solicitor, to negotiate and agree such changes as are necessary to renew the funding agreement between SCC and the SWHT for a period of five years from 1 November 2019.</li> </ol>
<p><b>Reasons for Recommendations:</b></p>	<p>To recognise the heritage activities carried out by the South West Heritage Trust during the reporting period (1 November 2017 to 31 October 2018) and to recommend that Somerset County Council renew the funding agreement with the Trust for a further five years from 1 November 2019.</p>
<p><b>Links to County Vision, Business Plan and Medium Term Financial Strategy:</b></p>	<p><b>Business Plan;</b></p> <ul style="list-style-type: none"> <li>• Culture and Heritage <ul style="list-style-type: none"> <li>○ Support and Promote enjoyment of Somerset’s rich heritage, culture and natural environment</li> <li>○ Encourage individuals and communities to get involved in Somerset’s heritage</li> <li>○ Support community and cultural activities and events to improve quality of life and people’s enjoyment of their free time</li> <li>○ Support and promote the leisure, health and wellbeing value of our natural environment and make it accessible to all</li> <li>○ Use Council assets to facilitate enjoyment of the county</li> <li>○ Provide opportunities for vulnerable groups through the services we provide</li> <li>○ Consider social value across all commissioning, procurement and partnership activity</li> </ul> </li> </ul> <p><b>County Vision</b></p> <ul style="list-style-type: none"> <li>• A County where all partners actively work together for the benefit of our residents, communities and businesses and the environment in which we all live.</li> <li>• A County that provides you with right information, advice</li> </ul>

	<p>and guidance to help you help yourself and targets support to those who need it most.</p> <p><b>Social Value</b>  We intend to work in co-production with the South West Heritage Trust to continue to identify the social value possibilities and opportunities for the next 5 years. We will jointly establish some quantifiable measures and will monitor and report our successes through funding agreement meetings</p>
<p><b>Consultations and co-production undertaken:</b></p>	<p>The SWHT is constantly seeking feedback from visitors and users of their services and stakeholders in general. Regular visitor surveys are undertaken with of the users of the services to garner views of the public to shape the current and future services being offered.</p> <p>Online reviews from the likes of TripAdvisor, Google and Facebook are also analysed to gain public opinion on the Trust’s museum services.</p> <p>The position with regard to the future funding agreement has been developed in conjunction with SCC’s internal Legal, Commercial and Procurement and Finance departments.</p>
<p><b>Financial Implications:</b></p>	<p>The annual levels of funding within the initial funding agreement were based upon projections for specific activities and expenditure in the original business plan to enable the creation and establishment of the Trust. The total value of the initial five-year grant was £8,440,990.</p> <p>The renewed funding agreement will be a set annual amount over the five-year period and will not be subject to inflationary increases.</p> <p>Final agreement on the value of the renewed funding agreement is yet to be reached, but it is proposed that the grant be cash-capped at the current (2018/19) levels:</p> <ul style="list-style-type: none"> <li>• Year 1 £1,626,688 2019-20</li> <li>• Year 2 £1,626,688 2020-21</li> <li>• Year 3 £1,626,688 2021-22</li> <li>• Year 4 £1,626,688 2022-23</li> <li>• Year 5 £1,626,688 2023-24</li>   <li>• Total £8,133,440</li> </ul> <p>The fixing of the annual funding will deliver a real terms saving to the County Council and will encourage the SWHT to focus on commercial activities to generate higher levels of income.</p>

<p><b>Legal Implications:</b></p>	<p>The funding agreement with the SWHT can be renewed beyond the initial five-year funding period by the mutual agreement of the parties (clause 14.1). If the recommendations in this report are adopted, SCC will negotiate with the SWHT for the funding agreement to be renewed to cover the period 1 November 2019 to 31 October 2024.</p> <p>SCC is party to funding agreements with the National Heritage Memorial Fund (NHMF) in respect of funding provided for the redevelopment of the Museum of Somerset and improvements at the Somerset Rural Life Museum. Viridor Credits Environmental Company (Viridor) has also funded refurbishment works at the Somerset Rural Life Museum. By continuing to fund the SWHT’s activities at these sites, SCC will ensure it remains compliant with the funding conditions imposed by the NHMF and Viridor.</p> <p>The legal and risk implications with the proposed funding mechanism are set out in confidential appendix B.</p>						
<p><b>HR Implications:</b></p>	<p>The Trust currently employs an average of 74.55 full time equivalents:</p> <ul style="list-style-type: none"> <li>• Service Provision – 61.53</li> <li>• Finance and administration – 8.02</li> <li>• Management - 5</li> </ul> <p>The proposed new funding arrangement will be cash-capped for the duration of agreement i.e. there will not be an annual uplift for inflation. This may result in some staff refocussing on income generating opportunities, or may possibly result in a review of staffing to ensure that the correct organisational structure is in place to provide heritage activities within budget</p> <p>The Trust are an independent charity and SCC do not have any responsibility or liability for the staff of the Trust</p>						
<p><b>Risk Implications:</b></p>	<p>The real terms reduction in the value over the duration of the funding agreement will result in the Trust having to manage inflationary pressures.</p> <p>This will need to be mitigated by a renewed emphasis on income generating services and/or a restructuring of the workforce.</p> <table border="1" data-bbox="528 1899 1482 1937"> <tr> <td><b>Likelihood</b></td> <td><b>3</b></td> <td><b>Impact</b></td> <td><b>3</b></td> <td><b>Risk Score</b></td> <td><b>9</b></td> </tr> </table>	<b>Likelihood</b>	<b>3</b>	<b>Impact</b>	<b>3</b>	<b>Risk Score</b>	<b>9</b>
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<p><b>Other Implications (including due regard implications):</b></p>	<p><b><u>Equalities Implications</u></b></p> <p>As this decision will effectively mean that there will be a continuation of service delivery, there will be no positive or</p>						

	<p>negative impact on equalities</p> <p>The parties' obligations under the Equality Act 2010 will be made clear in the grant agreement. Adherence to these obligations will be monitored through funding agreement meetings.</p> <p><b><u>Community Safety Implications</u></b></p> <p>As this is effectively a continuation of service there are no Community Safety Implications</p> <p><b><u>Sustainability Implications</u></b></p> <p>There are no sustainability Implications</p> <p><b><u>Environmental Implications</u></b></p> <p>See section 1.10, below</p> <p><b><u>Health and Safety Implications</u></b></p> <p>There are no Health and Safety Implications</p> <p><b><u>Privacy Implications</u></b></p> <p>There are no Privacy Implications</p> <p><b><u>Health and Wellbeing Implications</u></b></p> <p>There are no Health and Wellbeing implications</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Not applicable.</p>

## 1. Background

- 1.1. At its meeting on 20 March 2013, Cabinet agreed the Somerset Heritage Trust should be established in 2014, this was based on the consideration of a full business case and options appraisal. Subsequently the South West Heritage Trust was founded in 2014 as an independent charity for Somerset, Devon and the South West.

The report to Cabinet of 20 March 2013 noted that a 5-year funding agreement linked to outcomes would be required to enable the Trust to establish itself. This initial 5-year funding agreement expires on 31 October 2019.

- 1.2. The South West Heritage Trust (the Trust) vested on 1 November 2014 as an independent company limited by guarantee with charitable status. The company is governed by its memorandum and articles of association. Its charitable objects are set out in the articles of association as follows:

- the advancement of education;
- the promotion of arts, heritage, culture and science including by the preservation and safeguarding of such land, buildings, structures, archaeology, objects, records or books as may be of historic or educational interest or significance; and
- to provide or assist in the provision of facilities in the interests of social welfare for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

- 1.3.** The Trust has the heritage service responsibilities previously carried out by Devon County Council (comprising the Archives and Local Studies Services) and Somerset County Council (comprising the Archives and Local Studies, Museums and Historic Environment Services).

A subsidiary trading company, South West Heritage Trust Trading Company Ltd (registered company number 09222720), was also formed on 1 November 2014.

In its early years the Trust has sought to establish itself as an innovative and sustainable independent organisation with greater entrepreneurial and commercial freedom to develop services and partnerships.

- 1.4.** Now in its fifth year of operation the Trust has continued to grow as a business and as a brand and has developed into a well-respected independent player in the heritage sector, has won numerous awards and has gained accreditation from a number of prestigious bodies.

The Annual Report for review covers the fourth year of service delivery as a charitable trust (1 November 2017 – 31 October 2018) and documents some of the achievements attained by the Trust during that year of trading.

### **1.5. Somerset Museums Service**

The Museums service was successful under the Arts Council England Scheme in its applications for accreditation for the Museum of Somerset, Somerset Military Museum, and the Somerset Rural Life Museum

#### **Museum of Somerset**

The Museum of Somerset maintained its strong appeal to visitors and visitor numbers remained consistent with previous years, despite the declines reported by many visitor attractions regionally, and has seen significant engagement with new audiences.

Customer reviews remain excellent and are consistently in the highest range.

Volunteer hours remained high with 72 regular volunteers providing the equivalent of 1,084 working days of time

### **Somerset Rural Life Museum**

The period in review encompassed the museums first full year of operation and visitor numbers grew steadily. The Museum received its first TripAdvisor Certificate of Excellence in May 2018.

In September the museum received the William Stansell Historic Building Award for 2018 from Somerset Building Preservation Trust. The award praised 'a dramatic transformation, successfully integrating several disparate elements with clarity, and with excellent materials and workmanship.' It added that 'new spaces and the new building are beautifully designed and detailed to enhance the setting of the barn where the repairs and lighting scheme are exemplary.'

The museum was also named Best Educational Building in the Local Authority Building Control Awards.

### **Brick and Tile Museum**

The partnership with Discovery (Somerset Adult Learning Disability Services) has continued and both organisations are strongly committed to their involvement with the site. Work is now starting to develop a project related to the museum and Bridgwater's industrial heritage.

## **1.6. Somerset Archives and Local Studies**

The Somerset Archives and Local Studies Service continued to provide public access to the Somerset archive collections at the Somerset Heritage Centre. There were over 4,000 visits to the searchroom and over 3,500 enquires and research requests received.

The partnership between the Trust and Ancestry has continued to operate very successfully. During the year, there have been more than 8 million on-line text and image views of Somerset archive data.

Both Somerset and Devon Archives Services have been involved with a major project to implement a digital preservation solution for archives that are received in digital form.

The Trust has also been working with a developer on a new collections management system for the archive services in Somerset and Devon. This integrated system will manage cataloguing and accessions data relating to all archive collections cared for by the Trust and will have greatly enhanced functionality.

## **1.7. Historic Environment and Estates**

The Trust's estate of **landscape sites** totals more than 400 acres and is actively managed. In addition to the physical management of sites, over a thousand archaeological and conservation advice requests from local authorities were dealt with alongside over 450 agri-environment scheme enquires from Natural England

There were also over 215,000 visits to the online Historic Environment Record

website.

## 1.8. Learning, Exhibitions and Outreach

**The Learning Team** continued to engage with audiences of all ages, including through regular toddler sessions at the Museum of Somerset and Somerset Rural Life Museum, holiday events at the museums, tailored sessions for specific groups and reminiscence sessions in care homes and day centres. Tours of the Somerset Heritage Centre continued to be popular and special tours were held as part of the annual Heritage Open Days programme.

533 learning sessions were provided in Somerset for 14,361 school students and a further 148 family learning events were held attracting 11,148 people.

**The Design Team** of the Trust provided several complex temporary exhibitions during the year together with promotional materials. Support was also provided to other parts of the Trust to assist with outreach events and activities. The exhibitions included;

### **The Museum of Somerset**

- Michael Morpurgo: A Lifetime in Stories was an exhibition provided by Seven Stories, the National Centre for Children's Books, featuring original draft manuscripts, photographs, notebooks and correspondence together with interactive areas to allow children to explore themes from Michael Morpurgo's books.
- From Spinning-Tops to Spacehoppers: Growing up in Somerset featured popular toys and games from the last century to demonstrate how childhood in Somerset has been enjoyed.
- Faces of Conflict: Somerset and the First World War featured the Museum Service's portrait of Harry Patch, 'the last fighting Tommy', in an exhibition whose centrepiece was an immersive audio-visual installation created in partnership with West Somerset College.
- The World Before Yesterday: the Photography of Stanley Kenyon showcased the photography of Stanley Kenyon.

### **Somerset Rural Life Museum**

- Echoes of War: the Somerset Countryside 1914-1918 revealed how the First World War profoundly changed the county's rural communities.
- Processions: Two Banners, One Voice explored how Somerset women today have been inspired by the anniversary marking the centenary of the Representation of the People Act.

## 1.9. Collections care and Acquisitions

The family of Sir Edward du Cann, former Member of Parliament for Taunton have given an extensive group of artefacts to the county collection.



Two diaries belonging to Edward Phelps MP (1725 – 1797) of Montacute, dated 1784 and 1789, were acquired by a group of Montacute residents and donated to the archives collection.

The Heritage Trust acquired the writing table of Samuel Taylor Coleridge (1772 – 1834) on behalf of Somerset County Council. It is likely to be the table at which he prepared the Stowey poems 'Kubla Khan' and 'Christabel'.

After more than two years of negotiation, it has been confirmed that ownership of the Luttrell of Dunster collection has been transferred to Somerset County Council under the acceptance in lieu procedures. The collection, which extends to 133 linear metres, has been on deposit since 1958 and is one of the most significant of English regional archive collections

## 1.10. Social Value

The Trust is committed to the principle of delivering social value through the services it provides. It is a commitment that resonates through the Trust's Vision, Mission and Strategic Objectives.

The Trust's services contribute strongly to personal wellbeing and a Sense of Place. Experiencing heritage promotes health and wellbeing and brings people together, whether through informal learning activities for children, access to inspirational art and exhibitions, the discovery of family or community history, life-long learning, or visiting heritage landscapes.

### **Ethical and Local Procurement**

The Trust is committed to local procurement wherever possible so that expenditure on services is localised and supports the economy and livelihoods of people in Somerset. Local procurement also helps the Trust to reduce its carbon footprint.

Based on its estimated Gross Economic Impact<sup>1</sup> the Museum of Somerset alone provides £2.3 million of economic benefit to Somerset from 72,000 visits. By growing the average annual number of visits to the Museum of Somerset to 100,000, the economic benefit provided by the site would increase to well over £3 million per year.

### **Staff and Volunteers**

The Trust's services are delivered by a community of staff and volunteers. As an employer the Trust is a significant direct contributor to the local economy. Staff are skilled and are also supported through appropriate training as well as through the Trust's commitment to continuing professional development.

Volunteering and engagement opportunities are offered to people of all ages and have clear benefits:

- They open pathways to employment for young people (the Trust has employed many people who have previously been Trust volunteers).

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<sup>1</sup> <https://www.aim-museums.co.uk/wp-content/uploads/2017/02/AIM-Economic-Impact-Toolkit-2014.pdf>

- They support older volunteers, helping them to remain intellectually and physically active and to engage in a social network where they are greatly valued for their contribution.
- At the Brick and Tile Museum the Trust has a partnership, unique in Somerset, where visitor services are provided by people with learning disabilities, thus supporting the development of practical life skills.

The Trust continues to develop new localised exhibitions, activities and projects which enable people to engage with and understand their own heritage. Recent examples have included the Devon Remembers Heritage Project, the Avalon Marshes Landscape Partnership Project and the Muse: Makers in Museums Project.

### **Environmental Responsibility**

Each Trust site is managed carefully to ensure that its environmental footprint is minimised.

The Somerset and Devon Heritage Centres provide central repositories for parish and Diocesan records from the two counties. Bringing these important historic collections together in A+ rated buildings has actively reduced the collective emissions previously produced by maintaining many hundreds of sub-standard parish-based storage facilities.

The Trust looks after two Grade 1 listed buildings and a Victorian farmhouse, ensuring they continue to be at the heart of their communities and maintained in the best condition.

The Historic Environment Conservation Service is an active voice to ensure that developers operate ethically to conserve the built heritage for the future and to make it economically and environmentally viable.

Staff are actively encouraged to cycle to work and are provided with secure cycle storage, shower facilities and a salary sacrifice-assisted cycle purchase scheme.

The Trust manages more than 400 acres of historic landscape sites across Somerset which provide mainly open access enjoyment to the public. The sites also provide ecosystem services and offset more than 25% of the total carbon emissions produced by the Trust.

### **Single-use plastics**

The South West Heritage Trust is seeking practical ways to minimise and eliminate the use of single-use plastics at its sites:

- Cups provided at all sites are either ceramic or recyclable cardboard. We do not use plastic cutlery or plates, favouring metal or ceramic options. We avoid the use of plastic bags and do not provide drinking straws.
- Single-use plastic drinks containers are sometimes present on our sites and we provide recycling facilities for staff and the general public at Somerset Heritage Centre. We are introducing public self-sorting

recycling facilities at our museums (where they do not already exist) over the next twelve months.

We will continue to seek ways to eliminate our use of single-use plastics, favouring more sustainable options or by leading behavioural changes which remove the need.

### **Vehicles**

Since the Trust vested in 2014 the number of 'fleet' vehicles has been rationalised, from five to four. All of these are utility vehicles for the movement of collections or plant. Where replacement is unavoidable, we lease new vehicles to ensure the best fuel efficiency. Existing vans will be maintained until their end-of-life to realise best efficiency with regards whole-life carbon burden. Electric vans will remain a consideration at the point of replacement, observing site limitations and range. The Trust provides electric vehicle charging at cost to employees for personal vehicles.

### **Equality of Engagement**

Trust services actively address issues of diversity, including those which are easily recognised and those which are less readily understood:

- All Trust buildings are fully accessible and welcome many people with a range of physical and learning disabilities. Many staff have specialist training to ensure they can support a broad range of visitors.
- The Trust addresses issues of social rural isolation through outreach projects and a touring programme of exhibitions to communities.
- The Trust seeks to celebrate the many communities who have made Somerset or Devon their home throughout the ages, exploring the rich benefits of cultural diversity.

The Trust will continue to engage with broad and diverse audiences, seeking new ways to extend its reach, to enhance people's lives and to contribute to the social fabric of communities.

## **1.11. Future funding arrangements**

The report to Cabinet of 20 March 2013 noted that a 5-year funding agreement linked to outcomes would be required to enable the Trust to establish itself. This initial 5-year funding agreement ends in October 2019.

Funding from SCC to the Trust to date under the current agreement is as follows;

- Year 1 £1,769,380 (1/11/14 – 31/10/2015)
- Year 2 £1,741,224 (1/11/15 – 31/10/2016)
- Year 3 £1,641,274 (1/11/16 – 31/10/2017)
- Year 4 £1,662,424 (1/11/17 – 31/10/2018)
- Year 5 £1,626,688 (1/11/18 – 31/10/2019)

Upon expiry of the initial funding period on 31 October 2019, it is proposed that the funding agreement with the Trust will be renewed, on broadly the same

terms, for a further period of 5 years.

It is proposed that the annual grant be capped at 2018/19 levels for the duration of the renewed funding period, meaning a real-terms tapering of funding over five years. This will deliver a real terms saving to the County Council and will encourage the SWHT to focus on commercial activities to generate higher levels of unrestricted income.

Final agreement on the value of the renewed funding agreement has yet to be reached, but it is currently proposed that the annual grant during the renewed funding period be cash-capped at the current (2018/19) levels:

- Year 1 £1,626,688 - 2019-20
- Year 2 £1,626,688 - 2020-21
- Year 3 £1,626,688 - 2021-22
- Year 4 £1,626,688 - 2022-23
- Year 5 £1,626,688 - 2023-24
  
- Total £8,133,440

## **2. Options considered and reasons for rejecting them**

### **2.1. Bring the provision of heritage services back in-house**

During the first four years of operation the SWHT have successfully delivered against the expected key benefits of moving the service to a trust, both for the Heritage Service and for the local authority, including:

- The creation of a more agile organisation, able to adapt to future changes and to innovate.
- The ability to obtain funding from sources not open to local authorities, especially from individuals.
- Financial sustainability and stability on the basis of a funding agreement. This allows for more strategic management of financial change, and the ability to maximise savings in the long-term without radically compromising service delivery.
- Independence from the local authority has enabled the ability to shape the destiny of the service through a more focused and business-like management structure which allows for timely decision-making.
- Greater flexibility to adapt to the needs of audiences and communities.
- The opportunity for cultural change within the organisation, particularly a move to a more business focussed culture.
- Scope to develop new partnerships and working relationships.
- An ability to build a strong heritage brand in order to maximise cultural and marketing opportunities.

Commissioners believe that bringing the service back in-house would reverse some of the benefits gained from the Trust's externalisation in 2014, would

reduce the ability to deliver against stated commissioned outcomes and would increase overall costs to the County Council.

## **2.2. Competitive procurement process**

As an alternative to grant funding the Trust, SCC could competitively procure a provider of heritage services. However, the Trust has long-term leases of a number of sites and its permission would need to be obtained to grant sub-leases to any successful tenderer. In addition, under funding agreements between SCC and the National Heritage Memorial Fund and Viridor Credits Environmental Company, the consent of these funders would be required to the appointment of a museum operator.

## **3. Background Papers**

**3.1.** Appendix A - South West Heritage Trust Outcome Report 2017-18

**3.2.** Appendix B - **Confidential** appendix