

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COMMUNITY SERVICES COMMITTEE

Agenda Item No.

8

meeting date: 15 MARCH 2011  
title: MUSEUM SERVICE LEVEL AGREEMENT  
submitted by: JOHN C HEAP, DIRECTOR OF COMMUNITY SERVICES  
principal author: CHRIS HUGHES, HEAD OF CULTURAL & LEISURE SERVICES

### 1 PURPOSE

1.1 To advise members on the current performance of the museum and to consider a review of the current management arrangements with Lancashire Museums Service (LMS).

#### 1.2 Relevance to the Council's ambitions/priorities:

- **Council Ambitions** – This report contributes to making sure that the council provides efficient services, to protect and enhance the existing environmental quality of our area and improving access for all.
- **Community Objectives** – This report relates to the following priorities outlined in the community strategy: encouraging access for all, community cohesion, culture and tourism.
- **Corporate Priorities** – To provide services for people where they live, improve access to services, promote the exceptional environment of area and lifestyle.

### 2 BACKGROUND

2.1 Clitheroe Castle Museum re-opened in April 2009 after an extensive £3.3m refurbishment.

2.2 The Council reached an agreement with LMS for them to take responsibility for the overall management of the complex, the details of which we set out in an operating agreement.

2.3 In practical terms, this means that:

- LMS are fully responsible for the day-to-day operation of the site;
- RVBC are responsible for buildings maintenance;
- There is a joint working group that deals with marketing/promotion and programming the Steward's Gallery (although LMS are responsible for day-to-day promotional activity);
- The North West General Archive has a separate agreement, but is answerable to LMS on day-to-day operational matters;
- The Atrium Café is operated under a separate agreement, but complies with any site management protocols through LMS;
- Under the agreement, there is provision for a joint management group, made up of officers, members and community representatives.

### 3 CURRENT SITUATION

- 3.1 The new museum is coming to the end of its second year since re-opening, and has proved extremely popular with visitors, has received a number of awards, achieved recognised accreditation, and has been well received by partners and stakeholders.
- 3.2 From a base figure of around 10,000 visits each year, the first year saw a massive increase to over 26,000, although many of those visits were in the first three months of the re-opening. Figures for this year are still encouraging, with nearly 20,000 so far, with a prediction (based on last year) for that to reach around 23,000.

### 4 ISSUES

- 4.1 Although visitor numbers have increased, so has the cost of running the building, to more than double the cost prior to the refurbishment. The single biggest cost is the fee paid to LMS for the operation of the site.
- 4.2 As part of the Council's review of services in light of budget pressures, all services are to be scrutinised, particularly those of a discretionary nature. Of the discretionary services within Community Services, Ribblesdale Pool and the Museum have the largest net revenue cost, and so will come under increasing scrutiny over the next six months to inform budget decisions for 2012/13.
- 4.3 The net cost of the museum for 2011/12 is estimated at £239,980. This is broken down as:

Castle Museum Budget	Original Estimate 2011/12 £
<b>Expenditure</b>	
Premises	66,530
Supplies and Services	2,940
Management Fee	171,270
Support Services	36,750
Depreciation	37,910
<b>Total Expenditure</b>	<b>315,400</b>
<b>Income</b>	
Recharges to Other Services	-36,940
Customer and Client Receipts	-38,480
<b>Total Income</b>	<b>-75,420</b>
<b>Net Expenditure</b>	<b>239,980</b>

- 4.4 It should also be noted that, although discussions on the operating agreement began some time before LMS took over the museum, the agreement is yet to be signed. Although there is agreement with the vast majority of the content, there are outstanding issues on income share and TUPE arrangements.

- 4.5 Although this has not affected the day-to-day operation, the setting up of the joint management group, which would look at more strategic matters, has not yet occurred.
- 4.6 To make LMS aware of the Council's situation, the Head of Cultural & Leisure Services met with the Director of Cultural Services and colleagues at the County Council. At the meeting, it was recognised that the Council's situation was not unique, and conversations were taking place where similar partnership arrangements existed.
- 4.7 It was also concluded that, if significant efficiencies were required, then they would be unlikely to materialise by merely making adjustments with the current arrangements. A much more comprehensive review, exploring alternative delivery models, would probably be needed to achieve the required outcome.

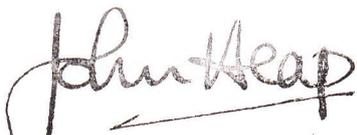
## 5 RISK ASSESSMENT

Approval of this report may have the following implications:

- **Resources** – at this moment in time, there are no financial resource implications. However, the outcome of the review should result in a reduction in the net cost of the operation to this Council.
- **Technical/Legal** – under the operations agreement, either party may terminate the agreement by giving twelve months' notice to end on 31 March in any year during the term.
- **Political** – having had initial discussions with the County Council, they are happy to work with us to find a solution that achieves our overall goal of reducing the net revenue costs of the site, and recognise that, in order to do this, issues around the management fee and current management practices are likely to be the focus of any discussions. Members must also be aware that the terms and conditions of the capital financing grant from the Heritage Lottery Fund will have to be factored into any alternative arrangements.
- **Reputation** – the Council made a huge commitment when deciding on the re-development of the Castle site, and significant work has happened since that has enhanced the Council's reputation. We must, therefore, ensure that any decision take into account the sites enhanced status, not only as a visitor attraction in its own right, but as a vehicle for broader regeneration of Clitheroe and the surrounding area.

## 6 RECOMMENDED THAT COMMITTEE

- 6.1 Notes the contents of the report and endorses the establishment of a working group with LMS to review future management and operational arrangements at Clitheroe Castle Museum.
- 6.2 Considers setting a timescale for the group and any reporting mechanisms.
- 6.3 Considers membership of the group.



**JOHN C HEAP**  
DIRECTOR OF COMMUNITY SERVICES