

Options for Museums and Heritage Service

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1. Description of current service

Hereford Museum and Art Gallery has been collecting and exhibiting artefacts and works of fine and decorative art connected with the local area since 1874. The annual exhibition programme provides a show case for local, national and international artists and craft workers.

Collections include a nationally important Costume and Textile collection dating from the 17th century. The Fine Art collection has a rich selection of work by artists with local connections such as Brian Hatton, as well as a significant number of early English watercolours. Within the Natural History collection, the geology, herbarium and areas of the invertebrate collections are most important. There are also good local entomological specimens and a local collection of vertebrates. The Archaeological collections are primarily of Herefordshire origin and are particularly strong in the Iron Age and Roman periods, with Stone Age material being of national significance. The Social History collection is large and diverse, largely of 19th and 20th century, but some 17th and 18th century material including an important group of ironwork. The Alfred Watkins collection is of local and national relevance.

The Museum Resource and Learning Centre is the central storage facility for the county's museum collections, with climate controlled stores and a lecture/learning room that is available for hire to external groups. The Museum Resource and Learning Centre is also open to the public for curatorial advice and identifications, research, learning and training and for engagement with the volunteers who are supported by and work with the curatorial team.

The Old House is a 17th Century timber-framed building, which is an iconic landmark in the Hereford street scene. Since 1929 it has been a museum giving an insight into daily life in Jacobean times. It is furnished in period style with an important collection of English Oak furniture.

Ross on Wye Market House and Visitor Centre provides a focal point for local history and heritage with a display for both visitors and the local community and also acts as a Visitor Centre for Ross on Wye and the local area.

Ledbury Heritage Centre provides a focal point for local history and heritage with a display for both visitors and the local community.

The Museum on the Move is a mobile exhibition space, shared with Staffordshire County Council which combines education and learning with interaction with the themed exhibition objects.

Staffing currently comprises 9.67 FTE of which 3.5 FTE are curatorial, based at Museum Resource and Learning Centre. The remaining 6.17 FTE cover front of house at all sites across the county. Museum on the Move is staffed separate to this from external funding.

The service engages in an extensive outreach programme within the community with schools, care homes, community groups; via a range of outreach activities including holiday activities, lectures and tours.

The service also provides opportunities for work placements and volunteers.

The service works in partnership with Shropshire Museum Service, Birmingham Museums Trust and the British Museum to support the Portable Antiquities in the county.

The service works in partnership on a regional scale with the Birmingham Museums Trust and the Marches Network to develop the impact of museum services across the West Midlands.

Three sites (MRLC, Hereford Museum and Old House) are Accredited museums. The UK Accreditation scheme is the mark of a professional museum service which also enables access to funding for project and development work and supports the county-wide network of independent museums for curatorial advice and mentoring.

Visitor and user numbers 2012-13 to the service were:

Hereford Museum	28,726
Old House Hereford	34,762
Ross Market House	37,570
Ledbury Heritage Centre	28,706
Friar Street Resource Centre	2,719
Outreach visits	452
Schools	1,644
Total use of the service	134,579

2. Strategic view of the service

Heritage tourism is worth £26.4bn to the UK economy, according to research by the Heritage Lottery Fund. A new report reveals that the new figure is £5.8bn higher than previously estimated in 2010. The increase is mainly due to a 13% rise in international visits and overnight holidays made by UK residents between 2007 and 2011.

In Herefordshire the analysis of the economic impact of the museum service has been assessed by applying the Economic Toolkit. This indicates that the service generates a wider income of £5,603,493, or a spend of £8.24 into the local economy for every pound invested in the service. For the Old House in Hereford there is a return of £41 for every pound spent on running the service in that facility. Within the community, museums support local businesses and the visitor attractions they provide engage visitors and encourage tourism. The museums help to make Herefordshire a vibrant place to visit, live and work.

Further information on the subject of this report is available from Mick Ligema, Cultural Services Manager on tel (01432) 260631 or Elizabeth Semper O'Keefe, Collections and Archive Manager on tel (01432) 260056

The museum service holds a collection of objects which tell the story of the people and the life of Herefordshire. It is there to record history, for current and future enjoyment and stimulation, for learning, research and pleasure.

The service has a moral and legal responsibility for the collection which is held in trust by the council on behalf of the donors.

There is a universal market for the service including local people, national and international visitors, including research visitors, also schools, the cared for community and the voluntary sector.

The wider service and professional staff also support the work of the independent museums around the county, including supporting their accreditation applications. In the future this would hope to include the proposed heritage centre at the Munitions Factory at Rotherwas.

The opportunities afforded by any development of a higher education establishment in Herefordshire need to be considered building on the proven role and contribution that the museum and its collections already make to the academic work of the county. The collections act as a primary source of intellectual stimulation and research for local educational establishments, from primary schools to the Art College and the Royal National College for the Blind.

The Museum Service currently has an excellent reputation within the communities that it serves. However, the proposals of May 2013 have already caused some concern amongst various stakeholders, including national institutions such as the British Museum, the V and A and the Arts Council, and also donors of artefacts who are questioning what will happen to the collections if the museum closes. The impact of the reputational damage this process will have locally and nationally will need to be considered as this may have long-term effects on aspects such as accessing external funding, acquisition of collections, visitor numbers and ability to attract high quality staff.

3. Service Options

3.1 The options as outlined below are based on a number of factors. In composing the options the following considerations were made:

- Sustaining service and quality, whilst meeting the pressure of the local authority budget.
- The views of stakeholders.
- Community Asset Transfers are being explored for Ross Market House Heritage Centre, Ledbury Heritage Centre and the Old House, Hereford, therefore most of the options do not include provision for these sites. It should also be noted that the contents of these buildings cannot automatically be part of this transfer as they are part of the museum collections.
- All options presuppose that a strategy for increasing income generation is developed, but this is unlikely to raise sufficient income to fully support the service independently.
- Costs associated with each of the options are indicative at this stage and will require further development once a preferred option has been identified, but it should be noted that each option will result in some staff redundancy.
- It has not been possible to develop an option to provide the 0% funding within 2 years as originally proposed in May 2013. This is because the agreement with

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the Heritage Lottery Fund (see below) requires a continued heritage presence in the Museum Resource and Learning Centre. Also, to close all the facilities would further require the dispersal of the collections which requires considerable legal involvement and would take a number of years to complete.

- Under the agreement with the Heritage Lottery Fund, there remains an obligation to pay back the grant monies (£1,223,000) if the Museum Resource and Learning Centre is no longer used for caring for and storage of museum collections. Therefore the core funding for this element needs to be sustained for the remaining 19 years of this agreement, or a clause must be agreed to retain liability for this repayment with Herefordshire Council if an external body (such as a trust) finds that the continued operation of the Museum Resource and Learning Centre is unsustainable.
- The service in its current form is already under stress due to the non-replacement of staff and a legacy of commitments to externally funded projects for which there is no longer capacity. All of the options will require an assessment of what can no longer be delivered to enable resources to be more appropriately reassigned to the agreed core offer.

3.2 Option 1 – Minimum service provision

To run a minimum service from the Museum Resource and Learning Centre, with some curatorial input to oversee the collections, and allow access via appointment, with an administration role to enable letting of the Learning Room. All other sites would be closed and there would be no temporary exhibition programme in the Gallery at the Hereford Museum Broad Street site.

Strengths:

- Makes greatest savings of all options.
- Allows for minimum curation of the Herefordshire collections.

Weaknesses and impacts:

- Does not meet original target of 100% savings target within two years.
- Will reduce visitor spend locally as the closure of heritage sites decreases the tourist offer. See above for the value of the extra spend the service generates in the local economy.
- Even by maintaining this minimal service at the Museum Resource and Learning Centre it will jeopardise future relationships with the Heritage Lottery Fund, potentially for all Herefordshire Council sponsored bids.
- Will likely result in the loss of Accreditation status for the Service, affecting the ability of the remaining service to attract external funding for future projects or development.
- Limited ability for growth in the future without a permanent site for exhibition and interpretation of the collections.
- Greatly reduced access to the collection for education, learning and research and completely for the tourist visitor.
- Loss of curatorial expertise impacting on the potential input to programmes of work within the service and to other projects within the council and elsewhere in the cultural sector, locally and nationally.
- Loss of exhibition programme, with an associated impact on regional partnerships and projects including the Museum on the Move service. This will also impact greatly on the delivery of the planned WW1 centenary exhibition.
- The loss of display space for the Herefordshire collections.
- The cost of mothballing the collection would be considerable.

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- Curatorial expertise cannot be replaced by voluntary sector and further curatorial loss will also reduce the total sum of volunteering opportunities in the service.
- Redundancy costs for employees leaving the service.
- Would be challenged by the Hatton supporters as the lack of display space will be breaking the previously made agreement to display the Hatton Collection and an agreement to hold an exhibition at the centenary of Hatton's death in 2016. This agreement was made following the closure of Churchill House Museum and the Hatton Gallery – a closure which continues to impact on the reputation of the service and the Council.

Property issues:

The refurbishment of Museum Resource and Learning Centre was carried out with Heritage Lottery funding. The condition of this funding means that the building must be used for heritage/museum collections for a period of 25 years or the funding (£1,233,000) would need to be repaid. 19 years remain of this 25 year term.

The emptying and removal of objects from Broad Street Museum and the Old House would be expensive and create severe challenges with regard to storage capacity.

Option 1 savings

Current nett costs £000s*	Option 1 costs £000s	Savings 13/14 £000s	Savings 14/15 £000s	Total savings £000s
£455	£146	£50	£258	£309

Note: excluding back office costs

3.3 Option 2 – reduced service

To maintain the provision at the Museum Resource and Learning Centre, and reduce opening hours of the Museum and Gallery at the Broad Street site and the Old House (if it has not been community asset transferred).

Strengths:

- Outreach could be delivered at MRLC, and across the community.
- Provides continued curation of and wider access to the Herefordshire collections.
- Retains level of volunteer involvement.
- Allows for Accreditation status for the service to continue.

Weaknesses and impacts:

- Limited exhibition programme – leading to public perception of a static service, leading to a drop in visitor numbers.
- Redundancy costs for employees leaving the service.

Property issues:

The refurbishment of the Museum Resource and Learning Centre was carried out with Heritage Lottery funding. The condition of this funding means that the building must be used for heritage/museum collections for a period of 25 years or the funding (£1,233,000) would need to be repaid. 19 years remain of this 25 year term.

Capital investment and on-going maintenance is required for the Grade 2 listed Broad Street site and Old House.

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Option 2 savings

Current nett costs £000s*	Option 2 costs £000s	Savings 13/14 £000s	Savings 14/15 £000s	Total Savings £000s
£455	£215	£48	£191	£239

Note: excluding back office costs

3.4 Option 3 – Engage and associate with existing trusts

To commence discussions with existing local trusts regarding the possibility of bringing the Museum Resource and Learning Centre, the Broad Street Museum and possibly Old House into their trust structure as a museum partner.

To explore opportunities for engaging with the emerging dialogue around a future higher education establishment in Herefordshire as a key resource for a new academic institution and the funding possibilities that it may bring. However, this may not be contingent with the current timescales for decision making around savings.

This option could be considered in association with Option 2 or 5.

Savings on non-domestic rates (NNDR) can be made by a charity (savings up to 50% of rate saving). The museum service has limited opportunity for income generation which might have an impact on interest in operating the service, meaning that a continued need for subsidy by the local authority is necessary as core funding.

Strengths:

- Greater speed and lower expense required than to set up a new trust.
- NNDR savings can be achieved more quickly.
- A staffing/opening hours review could present further savings.
- Will enable joining up of contiguous offers which will improve the visitor experience.
- Some cost efficiencies may be found through linking with existing trust infrastructure.
- Provides continued curation of and wider access to the Herefordshire collections.
- With investment could present further income generation opportunities.
- By externalising the service, a saving of £175K can be made to central corporate costs from the Hoople budget.
- Allows for Accreditation status for the service to continue.

Weaknesses and impacts:

- Redundancy costs for employees leaving the service.
- Core funding for MRLC would need to be guaranteed for 19 years. Status of an asset transfer of the museum buildings to the trust partner will need to be resolved.
- Limited income generation possibilities mean that this museum partner could never be fully self-financing.
- Potential difficulties in retracting from this arrangement to form alternative arrangement i.e. standalone trust in the future.
- Discussions so far with existing trusts have indicated that sustained core funding is a critical factor, as is the status of any asset transfers.

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Property issues:

The refurbishment of the Museum Resource and Learning Centre was carried out with Heritage Lottery funding. The condition of this funding means that the building must be used for heritage/museum collections for a period of 25 years or the funding (£1,233,000) would need to be repaid. 19 years remain of this 25 year term.

External trust would be co-existing at the Broad Street and Old House sites with Council run library/customer services, and this may result in a request to pay a greater share of building charges than at present (currently the rates and the majority of the utilities are paid for from the Libraries budget), therefore increasing the base costs of the museum service.

Also capital investment and on-going maintenance is required for the Grade 2 listed Broad Street site and the Old House.

Option 3 savings

Current nett Costs £000s*	Option 3 costs £000s**	Savings 13/14 £000s	Savings 14/15 £000s	Total Savings £000s
£455	£234	£48	£172	£220

* Note: excluding back office costs

**includes back office costs

3.5 Option 4 – Establishment of a new trust

To maintain the current service provision whilst exploring the establishment of a new trust including sustainable funding sources, therefore maintaining current staffing budget, but making some immediate savings to the non-staffing budgets. Also undertake a service review in the next 6 months, to explore further savings and increase income generation.

This option could be considered in association with Option 2 or 5.

Savings on non-domestic rates (NNDR) can be made by a charity (savings up to 50% of rate saving). The museum service has limited opportunity for income generation which would create a continued need for subsidy by the local authority. This option would need time to develop over an 18 month to two year period.

Strengths:

- Ensures a viable service base to form a new trust.
- More likely to attract benevolent funding as an independent trust and provides ability to access independent finance.
- Provides potential for other services e.g. Archives to join this trust in the future.
- Provides an opportunity for creating a new identity for Herefordshire Museums Service with a separate brand.
- Provides continued curation of and wider access to the Herefordshire collections.
- Through strong branding would enhance the visitor and tourism profile of Herefordshire.
- Allows for Accreditation status for the service to continue.

Weaknesses and impacts:

- Costs of setting up a new trust have yet to be established.

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- Redundancy costs for employees leaving the service.
- Core funding for Museum Resource and Learning Centre would need to be guaranteed for 19 years.
- Limited income generation possibilities mean that a museum only trust could not be fully self-financing.
- Funding for central/core costs would also need to be found, including salary for a Chief Executive.
- We have been advised that the museum service alone does not provide adequate critical mass for a standalone trust.

Property issues:

The refurbishment of the Museum Resource and Learning Centre was carried out with Heritage Lottery funding. The condition of this funding means that the building must be used for heritage/museum collections for a period of 25 years or the funding (£1,233,000) would need to be repaid. 19 years remain of this 25 year term.

External trust would be co-existing at the Broad Street and Old House sites with Council run library/customer services, and this may result in a request to pay a greater share of building charges than at present (currently the rates and the majority of the utilities are paid for from the Libraries budget), therefore increasing the base costs of the museum service.

Also capital investment and on-going maintenance is required for the Grade 2 listed Broad Street site and Old House.

Option 4 savings

Current nett costs £000s	Option 4 Costs £000s**	Savings 13/14 £000s	Savings 14/15 £000s	Total Savings £000s
£455	£407	£48	£0	£48

Note:*excluding back office costs
**Includes back office costs, but not set up costs

3.6 Option 5 – Broad Street Museum as focal point of offer

For the Broad Street Museum site to be the focus of the service offer, along with the Old House as they are in the best locations for attracting visitors and showcasing the collections. A reduced curatorial resource would be maintained at the Museum Resource and Learning Centre, with an administration role to enable letting of the Learning Room.

The Broad Street site would need considerable development and funding to maximise its space and potential. In fact, it was always envisaged that the development of the Broad Street site would be Phase 4 of the Museum Resource and Learning Centre development, and this had backing from the Heritage Lottery Fund. This would need to be in co-ordination with the chosen option for libraries and customer services and would also need to be informed by the recently completed Building Conservation Management Plan.

This service offer could be the basis of that managed by a trust from either option 3 or 4.

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Strengths:

- Provides the greatest focus for attracting visitors, thus maintaining the economic contribution of the service to the city and county.
- Old House and Broad Street Museum have “kerb appeal” and are sited in the main thoroughfares of the city enabling the service to maximise this contribution to the local offer.
- Provides continued curation of and wider access to the Herefordshire collections.
- Builds on current perceptions of where and how to access heritage locally.
- Would support an investment option for any future development of Hereford City as a tourism destination centre linked to its historical riches.
- Allows for Accreditation status for the service to continue.

Weaknesses and impacts:

- Loss of curatorial expertise with a number of impacts across the exhibition, outreach and volunteer work programmes.
- Redundancy costs for employees leaving the service.
- With fewer curators, would only be able to provide a limited exhibition programme, and make limited involvement in projects from other teams or cultural organisations.

Property issues:

The refurbishment of the Museum Resource and Learning Centre was carried out with Heritage Lottery funding. The condition of this funding means that the building must be used for heritage/museum collections for a period of 25 years or the funding (£1,233,000) would need to be repaid. 19 years remain of this 25 year term.

The Broad Street site would need considerable development and funding to maximise its space and potential. This would need to be in co-ordination with the chosen option for libraries and customer services and would also need to be informed by the recently completed Building Conservation Management Plan.

The Old House would also need continual maintenance appropriate to its listed status.

Option 5 savings

Current nett costs £000s*	Option 5 costs £000s	Savings 13/14 £000s	Savings 14/15 £000s	Total savings £000s
£455	£325	£48	£82	£130

Note: *excluding back office costs

3.7 HR issues

The core cost of running the museum service is predominately salaries and venue costs, plus the costs of central services. All options will entail a reduction in the number of staff. Depending on the option progressed a restructure of services will take place with staff consultation over a 45 day period resulting in redundancies.

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4. Risk Management

4.1 Option 1: Minimum Service Provision

Risk no	Risk	Likely rating	Impact rating	Mitigation	Residual risk rating
1	Lack of display space will lead to poor public perception of the service	5	3	Small displays in the cases at MRLC and alternative temporary exhibition space sought in external venues	9

Option 2: Reduced Service

Risk no	Risk	Likely rating	Impact rating	Mitigation	Residual risk rating
2	Loss of the iconic Old House (through CAT) reduces the visitor offer and potential for income generation, leaving a service that would be less attractive for a trust to take on	3	4	Do not community asset transfer Old House	4

Option 3: Engage and associate with existing trusts

Risk no	Risk	Likely rating	Impact rating	Mitigation	Residual risk rating
3	Potential sustainability issues if core funding is reduced or removed in the future	5	5	Robust agreement re core funding	16

Option 4: Establishment of a new trust

Risk no	Risk	Likely rating	Impact rating	Mitigation	Residual risk rating
4a	NNDR savings may not be available for newly established trusts. This lack of saving will affect the financial viability of a standalone trust	3	5	Seek legal advice	9

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4b	Potential sustainability issues if core funding is reduced or removed in the future	5	5	Robust agreement re core funding	16
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Option 5: Broad St Museum as focal point of offer

Risk no	Risk	Likely rating	Impact rating	Mitigation	Residual risk rating
5a	Inability to source council funding to enable development of the Broad St site	5	5	External funding bid	20
5b	With limited front of house staffing in the gallery, it would be difficult to attract high quality touring exhibitions as we will not be providing the level of security and supervision that they require.	4	3	Hire temporary staff	9
5c	Loss of the iconic Old House (through CAT) reduces the visitor offer and potential for income generation.	3	4	Do not community asset transfer Old House	4

5. Consultees

Stakeholder meeting held 8 July 2013 (including representatives from staff)

Staff meeting held 14 August 2013