

CARLISLE CITY COUNCIL

Report to:- **Carlisle City Council**

Date of Meeting:- **15 July 2008**

Agenda Item No:-

Public

Title:- **TULLIE HOUSE GOVERNANCE OPTIONS**

Report of:- **Director of Community Services**

Report reference:- **CS 47/08**

Summary:- The report as appended (CS 45/08) outlines proposals to devolve the museum service to a trust, to enable members to be in a position to fully consider this further work is necessary for which a budget is required to procure specialist advice to facilitate a decision being taken on the future governance.

Recommendation:- Council approves a supplementary estimate of £50,000 to enable this proposal to be developed to enable members to take a decision at a future date.

Contact Officer: Mark Beveridge

Ext: 7350

M Battersby

Director of Community Services

02 July 2008

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: CS 26/08, CS 35/08, CS 37/08, CS 45/08



REPORT TO EXECUTIVE

PORTFOLIO AREA: LEARNING & DEVELOPMENT

Date of Meeting: 30 June 2008

Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: Tullie House Governance Options & Development Plan

Report of: Director of Community Service

Report reference: CS 45/08

Summary:

This report provides an update following consideration of the issues by Overview and Scrutiny.

Recommendations:

The Executive is recommended to forward the request to Council for a supplementary estimate of £50,000, to enable more detail work to be progressed.

Contact Officer: Mark Beveridge

Ext: 7350

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: CS 26/08

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 The Executive considered report CS 26/08 at its meeting on 29 May and the report referred to Community & Corporate Resources O/S Committees. The Community Meeting did not proceed, however, the Corporate Resources did and an excerpt from the Minutes is appended to this report.
- 1.2 The Corporate Resources O/S Committee raised a number of issues and concerns. Should the Council agree to proceed as set out these would be addressed in detail prior to a future report being presented to Members.

2. CONSULTATION

- 2.1 Consultation to Date. As report CS 26/08
- 2.2 Consultation proposed. As report CS 26/08

3. RECOMMENDATIONS

The Executive is recommended to forward the request to Council for a supplementary estimate of £50,000 to enable more detailed work to be progressed.

4. REASONS FOR RECOMMENDATIONS

Approval of the recommendation would enable a much more detailed assessment of the issues, benefits and associated implications of establishing a Trust for Tullie House prior to reporting back to Council for a formal decision to be made.

5. IMPLICATIONS

- Staffing/Resources – The funding would be used to commission external advice.
- Financial – As report CS 26/08
- Legal – As report CS 26/08
- Corporate – As report CS 26/08

- Risk Management – Should the Council decide not to proceed with a Trust once this work has been completed the expenditure would have been abortive.
- Equality and Disability – As report CS 26/08
- Environmental – As report CS 26/08
- Crime and Disorder – As report CS 26/08
- Impact on Customers – As report CS 26/08

**EXCERPT FROM THE MINUTES OF THE
CORPORATE RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE
HELD ON 12 JUNE 2008**

CROS.86/08 MUSEUMS AND ARTS SERVICE FUTURE GOVERNANCE

A Member began by expressing concern that the Committee was having a cursory look at what was a very complex and important item of business. The report did not, for example, include details of the value of the collection much of which had been donated to the City. He felt that the matter required much greater scrutiny in its own right.

The Head of Culture and Community (Mr Beveridge) submitted report CS.37/08 detailing the background to and options for the museum service moving away from direct Council control to a separate Trust.

Mr Beveridge reported that the future governance of the Museum and Arts Service was an important issue for the Council to consider at this point. The service had developed considerably in recent years, largely due to the input and funding from the City Council along with Renaissance in the Regions (MLA). However, aspects of the service e.g. the fabric of the building and suitability of storage required significant additional investment to effect the changes outlined in the development plan.

Future governance was not simply about securing external funding, it was principally about delivering the service in a different way.

Members' attention was drawn to report CS.26/08 appended to the report which outlined the option, provided further details of the issues involved, and sought agreement to move the governance issue forward by trying to get a suitably experienced and appropriate person for the Chair of Trustees, along with Trustees to form a Shadow Board. In seeking to locate such people the Council would ultimately be in a position to decide if requirements for devolving the service to a Trust could be met and thus proceed further towards that goal.

The budget provision being sought would, at this time, be used to procure specialist advice to advise Officers on the most effective and efficient route by which to achieve devolution of the service. It would also be used to seek suitable candidates for the role of Chair and

potential Trustees, their identification forming an integral part of the final decision Members would be asked to make in the future.

The Executive had on 29 May 2008 (EX.125/08) considered report CS.26/08 and decided:

“1. That approval in principle be given for the devolution of the full responsibility for delivering the Museum Service to a charitable body (Trust) and the Executive authorise Officers to progress this work subject to a final report in the Autumn.

2. That a copy of the Director of Community Services’ Report (CS.26/08) be forwarded to the Corporate Resources Overview and Scrutiny Committee on the 12 June and the Community Overview and Scrutiny Committee on the 5 June for their comment.

3. That the Executive request the Council to approve an initial budget of £50,000 to progress this first stage of the work.”

In considering the matter, Members raised the following questions and observations:

- (a) In relation to the issue raised regarding the collection Mr Beveridge did not have the figures to hand, but Officers’ recommendation would be that ownership of the collection was retained.
- (b) Other areas of serious concern which required to be addressed included the acquisitions policy; corporate damage to the Council which would result from the loss of central service charges; the cost to the Council of setting up a Trust; and a general need for financial clarity.

Evidence could also be obtained from similar authorities who had undertaken such an exercise to demonstrate the success or otherwise of a Trust.

Members felt that the appointment of a Shadow Board was premature at this time.

These issues and concerns should be referred back to the Executive.

In response, Mr Beveridge said that it was difficult to provide a specific answer since the Trusts he had spoken to had varying degrees of success in terms of financial funding. He took the Member’s point that further evidence was needed. There was evidence that Trusts had been successful in attracting alternative sources of external funding not currently available to Local Authorities, but as more Trusts were established the funding opportunities would be reduced.

- (c) A Member expressed concern that the issue was being looked at on a purely financial basis. He too would have liked the opportunity to scrutinise benchmark information and did not feel in a position to make a decision at this time.

Mr Beveridge explained that if a Trust was set up agreement would need to be reached as to the Council's contribution as a result of discussions with the Board of Trustees. He reminded Members that Carlisle Leisure had been established as a Trust but pointed out that the key difference in the case of Museums services was that there was no established market for the service and the normally accepted route for Museums was to devolve the service to a charitable body. He stressed that the exercise was not viewed as a savings proposal.

The Director of Corporate Services added that there was likely to be a budget cost, rather than a saving.

The Deputy Chief Executive advised that the issue of costs to the Council had been clarified in reports submitted two years ago. A decision required to be made whether the cost was worth the benefit of establishing a Trust.

The Executive had provided a clear steer that they wished to see a Trust and Officers were doing the best they could to address that.

- (d) Consultation to date was very inward looking and required to be extended.
- (e) Referring to the indicative timetable and the lack of case study or evidence, a Member suggested that a cross-party workshop was required to enable Members to effectively scrutinise the matter.
- (f) Given the importance of the matter, it would be beneficial if the Portfolio Holder was present to respond to questions when the matter was discussed.

The Chairman stressed that he would approach the matter with an open mind and had discounted anything he had heard during his time on the Executive.

RESOLVED – That the Executive be advised that:

- 1) The Corporate Resources Overview and Scrutiny Committee had serious concerns regarding the proposed devolution of the full responsibility for delivering the Museum Service to a charitable body (Trust) as outlined above.

- 2) That arrangements be made for a joint Workshop between the Community and Corporate Resources Overview and Scrutiny Committees, with input from external practitioners, to scrutinise the matter.
- 3) That the Executive be requested to reassess the timetable to allow feedback from the Workshop to be taken into account.