

Priorities and Resources Review Panel 2015/2016

Members

Councillors Bent, Darling, Davies, Hytche, Kingscote, McPhail, Pentney, Stockman and Thomas (J)

(Contact 01803 207063 or e: scrutiny@torbay.gov.uk)

Tuesday, 2 September 2014 at 9.30 am
to be held in the **English Riviera Conference Centre**

Stakeholder organisations, service users, community groups and members of the public are invited to attend the meeting and share their views with the Panel. If you wish to speak at the meeting, please register by Wednesday 27 August 2014 by contacting the Scrutiny Team on 01803 207063 or scrutiny@torbay.gov.uk

Agenda

1. **Apologies**
2. **Resident and Visitor Services - Library Services**
- 2(a) **(9.30) Introduction and Rationale for Proposals** (Pages 1 - 34)

To hear from the Mayor and Executive Lead for Culture and the Arts on the reasoning behind the proposals in relation to Library Services.

(The proposals document and the associated Equality Impact Assessment are attached for information.)
- 2(b) **(9.45) Representations from Friends Groups, service users and members of the public** (Pages 35 - 37)

To hear representations from members of the public on the proposals in relation to Library Services.

(Written representations received by the Panel are attached for consideration.)

2(c) (10.15) Representations from Members of the Council

To hear representations from Councillors who are not members of the Priorities and Resources Review Panel on the proposals in relation to Library Services.

2(d) (10.30) Panel Member questions to Mayor and Executive Lead

Members of the Panel to ask any questions of the Mayor and Executive Lead.

11.15 - 11.30 a.m. BREAK

3. Residents and Visitor Services - English Riviera Tourism Company

3(a) (11.30) Introduction and Rationale for proposals

(Pages 38 - 48)

To hear from the Mayor and Executive Lead on the reasoning behind the proposals in relation to the English Riviera Tourism Company.

(The proposals document and the associated Equality Impact Assessment are attached for information.)

3(b) (11.45) Representations from English Riviera Tourism Company and members of the public

(Pages 49 - 60)

To hear representations from members of the public on the proposals in relation to the English Riviera Tourism Company.

3(c) (12.00) Representations from Members of the Council

To hear representations from Councillors who are not members of the Priorities and Resources Review Panel on the proposals in relation to the English Riviera Tourism Company.

3(d) (12.15) Panel Member questions to Mayor and Executive Lead

Members of the Panel to ask any questions of the Mayor and Executive Lead.

1.00 - 2.00 p.m. WORKING LUNCH

4. Residents and Visitor Services - Museums

4(a) (2.00) Introduction and Rationale for proposals

(Pages 61 -
74)

To hear from the Mayor and Executive Lead for Culture and the Arts on the reasoning behind the proposals in relation to Museums.

(The proposals document and the associated Equality Impact Assessment are attached for information.)

4(b) (2.15) Representations from museums and members of the public

(Pages 75 -
181)

To hear representations from members of the public on the proposals in relation to Museums.

4(c) (2.30) Representations from Members of the Council

To hear representations from Councillors who are not members of the Priorities and Resources Review Panel on the proposals in relation to Museums.

4(d) (2.45) Panel Member questions to Mayor and Executive Lead

Members of the Panel to ask any questions of the Mayor and Executive Lead.

3.00 - 3.30 p.m. BREAK

4(e) (3.30) Initial Conclusions

For Panel members to identify possible:

- Areas of follow up
- Inter-relationships with other topics under review
- Conclusions
- Recommendations

Libraries (Including Library Resources fund):

What is provided?	Why is it provided?	What drives demands?
<p>The library service currently provides the following:</p> <ul style="list-style-type: none"> • 4 branch libraries • Lending services (Books and audio-visual materials) • Reference, information and local studies • Young people's services • ICT learning centres • Events and festivals including Agatha Christie • Management of the resources fund – which pays for the acquisition of books and other materials for adults and children 	<p>The Council has a statutory responsibility to “provide an efficient and comprehensive Library Service” (1964 Public Libraries and Museums Act)</p>	<ul style="list-style-type: none"> • Members of the public including local residents & visitors • Friends of Library Groups • Professional bodies (Chartered Institute of Library and Information Professionals/Society of Chief Librarians)

Draft Proposals – Outline details		Actual Budget 2014/2015	Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
		Income £	Budget reduction £					
	1,263,000				965,500			

Draft Proposals – Outline details	Actual Budget 2014/2015		Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
	Income £	Budget reduction £	Income £	Budget reduction £				
<p>40. Removal of Churston library from Torbay Council's library service provision.</p> <p>Churston library could be</p> <ul style="list-style-type: none"> • handed over to the community for future delivery as part of redevelopment of the existing library and adjoining site • Handed over to the community for future delivery from existing site • Closed 				105,000		<p>Associated redundancy costs and pension strain if applicable</p> <p>Project costs – capital and staffing</p> <p>Support for community in setting up for service delivery.</p>	April 2015	<p>Major Proposal</p> <p>Risk of legal challenge if service is considered not to be comprehensive (Public Libraries and Museums Act 1964)</p> <p>Opportunities for the future of the site will need to consider the feasibility of development, the capacity to deliver the project and the ability/willingness of the community to take on service delivery at no cost to the Council, together with the potential consequent impact upon the range and quality of services that may be offered.</p> <p>A needs assessment has been undertaken regarding the library service – details of which will be provided to aid decision making.</p> <p>It is proposed that transitional funding is applied for 15/16 to enable an alternative community solution to be explored (£105k) - this is subject to agreement.</p>

Draft Proposals – Outline details	Actual Budget 2014/2015	Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
		Income £	Budget reduction £				
41. Reduction in the Library relief staffing budget			7,500		Associated redundancy costs and pension strain if applicable	April 2015	Internal Proposal Increased pressure in trying to maintain adequate staffing levels in the event of planned, unplanned or long term absences in frontline departments. There is the potential that as a result of the reduction in relief staff this may result in unscheduled closures.
42. Loss of post of Inclusion Services Coordinator (0.51 fte) within Library services			11,900		Associated redundancy costs and pension strain if applicable	April 2015	Minor Proposal Loss of role for disadvantaged groups including elderly and disabled. Cessation of Blind Club at Torquay library, and of Prime Time Group (for age 55+) at Paignton Library. Remaining member of staff in this section will transfer to Bibliographical Services team, together with responsibility for RNIB subscription service for Visually Impaired Persons and residential home service.

Draft Proposals – Outline details	Actual Budget 2014/2015	Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
		Income £	Budget reduction £				
43. Staffing changes within Library services.			93,150		Associated redundancy costs and pension strain if applicable	April 2015	Internal Proposal This will mean fewer functions can be delivered across the service Limited capacity to support the delivery of new initiatives and projects in line with national drivers such as 'national offers'. Current range of services, in line with current expectations of a modern library service, and overall service, will continue to be supported, albeit on a reduced basis.
44. Reduction in managerial and Supervisory roles at Paignton Library and Information Centre			5,500		Associated redundancy costs and pension strain if applicable	April 2015	Internal Proposal Reduction in line with removal of the mobile library service, formerly managed by staff at Paignton Library and Information Centre (PLAIC), in 2014.
45. Alignment of staffing structure at Torquay Library			4,500			April 2015	Internal Proposal Vacancy management
46. Reduction in Library resources fund			67,850			April 2015	Major Proposal Resources fund reductions will mean that fewer books, DVDs, CDs, spoken word materials and online resources will be purchased.

Draft Proposals – Outline details	Actual Budget 2014/2015	Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
		Income £	Budget reduction £				
47. General efficiency savings within Libraries			2,100			April 2015	Internal Proposal

Savings Proposals 2015/16: Equality Impact Assessment (EIA) – Churston Library - DRAFT

Officer Name:	Nick Niles	Position:	Libraries Manager - Operations
Business Unit:	Residents and Visitor Services	Directorate:	Place
Date Started :	June 2014	Date of current version:	June 2014

The council and its partners are facing a significant challenge in the savings it needs to make over the next couple of years. This Equality Impact Assessment (EIA) has been developed as a tool to enable business units to fully consider the impact of their proposals on the community. As a council we need to ensure that we are able to deliver the savings that we need to make while mitigating against any negative or adverse impacts on particular groups across our communities.

This EIA will evidence that the Council have fully considered the impact of the proposed changes and has carried out appropriate consultation on those changes with the stakeholders. This EIA and the evidence provided within it will allow Councillors to make informed decisions as part of the decision-making process regarding the council's budget.

Executive Lead / Head Sign off (*when final version*):

Executive Lead(s)	Executive Head:
Date:	Date:

Summary from Overall Savings Proposals:

Proposals – Outline	Savings for 2015/16		Implementation Cost Include brief outline + year incurred	Delivery When will this proposal realise income / savings	Risks / impact of proposals	Type of decision		
	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
<p>Removal of Churston library from Torbay Council's library service provision. Churston library could be</p> <p>handed over to the community for future delivery as part of redevelopment of the existing library and adjoining site</p> <ul style="list-style-type: none"> • Handed over to the community for future delivery from existing site • Closed 		105,000	<p>Associated redundancy costs and pension strain if applicable</p> <p>Project costs – capital and staffing</p> <p>Support for community in setting up for service delivery.</p>	April 2015	<ul style="list-style-type: none"> • Potential risks • Impact on community • Knock on impact to other agencies • If statutory service please state relevant legislation section and Act together with any statutory guidance issued. <p>Risk of legal challenge if service is considered not to be comprehensive (Public Libraries and Museums Act 1964).</p> <p>Opportunities for the future of the site will need to consider the feasibility of development, the capacity to deliver the project and the ability/willingness of the community to take on service delivery at no cost to the Council, together with the potential consequent impact upon the range and quality of services that may be offered.</p> <p>A needs assessment has been undertaken regarding the library service – details of which will be provided to aid decision making.</p> <p>It is proposed that transitional funding is applied for 15/16 to enable alternative community solution to be explored (£105k) - this is subject to agreement.</p>	Internal	Minor	Major

Section 1: Purpose of the proposal/strategy/decision

No	Question	Details
1.	Clearly set out the proposal and what is the intended outcome.	<p>This proposal seeks to establish a community run neighbourhood library in Churston as an enhancement to Torbay Council's overall library service provision in its remaining service points – this proposal will also consider the following:</p> <ul style="list-style-type: none"> • redevelopment of the existing library and adjoining site • library handed over to the community for future delivery from existing site <p>This proposal will reduce costs for Torbay Council, while at the same time establishing a community run neighbourhood library in Churston which will operate outside of Torbay Council's overall library service provision in its remaining service points.</p> <p>The model is based upon transferring the responsibility for running the library from the local authority to local community groups run by volunteers. A number of variations on the model are in place across the country.</p> <p>This proposal will also consider re-development of the existing site.</p> <p>It is proposed that transitional funding is applied for 15/16 to enable alternative community solution to be explored (£105k) - this is subject to agreement.</p>
2.	Who is intended to benefit / who will be affected?	<p>The proposal offers the opportunity for customers to be directly involved in, and influence, their local library service provision.</p> <p>Library customers may be able to benefit from continued access to library services when a library building may otherwise have closed.</p> <p>Volunteers may have the opportunity to benefit from gaining a range of new skills through training and development, and increased personal interaction with others.</p>

No	Question	Details
		<p>Staff assigned to Churston library (permanent and casual staff) may be affected adversely as jobs may be lost.</p> <p>Library managerial and support staff may see a reduction in their working hours as there will be a reduced number of libraries within Torbay's statutory provision.</p>

Section 2: Equalities, Consultation and Engagement

Torbay Council has a moral obligation as well as a duty under the Equality Act 2010 to eliminate discrimination, promote good relations and advance equality of opportunity between people who share a protected characteristic and people who do not.

The **Equalities, Consultation and Engagement** section ensures that, as a council, we take into account the Public Sector Equality Duty at an early stage and provide evidence to ensure that we fully consider the impact of our decisions/proposals on the Torbay community.

Evidence, Consultation and Engagement

No	Question	Details																											
3.	Have you considered the available evidence?	<ul style="list-style-type: none"> • Around 65.5% of active borrowers are female. • Over half the number of active borrowers are aged 56+. • A breakdown of age and gender is shown in the table below. <table border="1" data-bbox="826 600 1264 1182"> <thead> <tr> <th>Age range</th> <th>Churston (%)</th> <th>Gender % M/F</th> </tr> </thead> <tbody> <tr> <td>0 - 15</td> <td>22.63</td> <td>42.7 / 57.3</td> </tr> <tr> <td>16 - 25</td> <td>3.42</td> <td>37.3 / 62.7</td> </tr> <tr> <td>26 - 35</td> <td>3.47</td> <td>17.7 / 82.3</td> </tr> <tr> <td>36 - 45</td> <td>7.79</td> <td>20.3 / 79.7</td> </tr> <tr> <td>46 - 55</td> <td>8.74</td> <td>28.5 / 71.5</td> </tr> <tr> <td>56 - 65</td> <td>14.62</td> <td>28.5 / 71.5</td> </tr> <tr> <td>66 - 75</td> <td>22.8</td> <td>35.7 / 64.3</td> </tr> <tr> <td>76+</td> <td>16.47</td> <td>40.1 / 59.9</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Libraries offer a concessionary membership for customers who are registered sick or chronically disabled. A total of 33 	Age range	Churston (%)	Gender % M/F	0 - 15	22.63	42.7 / 57.3	16 - 25	3.42	37.3 / 62.7	26 - 35	3.47	17.7 / 82.3	36 - 45	7.79	20.3 / 79.7	46 - 55	8.74	28.5 / 71.5	56 - 65	14.62	28.5 / 71.5	66 - 75	22.8	35.7 / 64.3	76+	16.47	40.1 / 59.9
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No	Question	Details																											
		<p>customers have this category of membership (32 adults, 1 child). There are also 21 customers registered as housebound for whom a relative or carer will borrow and return library items.</p> <ul style="list-style-type: none"> The following table shows the average frequency of visits by active borrowers by age group together with the frequency range. <table border="1" data-bbox="459 555 967 1223"> <thead> <tr> <th>Age range</th> <th>Average (mean) number of visits to return/borrow/renew items</th> <th>Range of visits</th> </tr> </thead> <tbody> <tr> <td>0 - 15</td> <td>5</td> <td>1 - 45</td> </tr> <tr> <td>16 - 25</td> <td>4</td> <td>1 - 20</td> </tr> <tr> <td>26 - 35</td> <td>5</td> <td>1 - 30</td> </tr> <tr> <td>36 - 45</td> <td>6</td> <td>1 - 38</td> </tr> <tr> <td>46 - 55</td> <td>9</td> <td>1 - 41</td> </tr> <tr> <td>56 - 65</td> <td>9</td> <td>1 - 73</td> </tr> <tr> <td>66 - 75</td> <td>12</td> <td>1 - 91</td> </tr> <tr> <td>76+</td> <td>13</td> <td>1 - 77</td> </tr> </tbody> </table> <ul style="list-style-type: none"> A map showing the distribution of active borrowers, and areas of deprivation, can be found on the Councils website. In 2013/14, visitor numbers were highest on Thursdays (21.96%) followed by Friday (20.4%), Monday (19.62%), Wednesday (12.89%), Tuesday (12.75%) and Saturday (12.35%). Tuesday, Wednesday and Saturday are half day opening for Churston. However, in terms of visitors per opening hour, the busiest days were Wednesday 40.88 visits per hour, Tuesday (39.64), Saturday (38.39), Monday (30.24), Friday (25.59) and Thursday (28.1). Business levels per quarter are very consistent ranging from 23.36% – 26.78% of the total. The period from October – December was the quietest of the four, partly affected by the Christmas closure which, inevitably, depressed that return. Consultation findings will be analysed to understand local opinion and perception against usage statistics. 	Age range	Average (mean) number of visits to return/borrow/renew items	Range of visits	0 - 15	5	1 - 45	16 - 25	4	1 - 20	26 - 35	5	1 - 30	36 - 45	6	1 - 38	46 - 55	9	1 - 41	56 - 65	9	1 - 73	66 - 75	12	1 - 91	76+	13	1 - 77
Age range	Average (mean) number of visits to return/borrow/renew items	Range of visits																											
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66 - 75	12	1 - 91																											
76+	13	1 - 77																											

No	Question	Details
4.	How will / have you* consulted on the proposal?	<p>Two libraries consultations have been undertaken recently –</p> <ol style="list-style-type: none"> 1. A 'Review of Library Services' consultation was undertaken from the 11th December 2013 to the 16th January 2014. A copy of the consultation report will be made available online. 2. A needs assessment has most recently been undertaken initial general consultation involved questionnaires available from Churston library (and other libraries) and an online survey made available on council web pages. <p>Surveys were also sent to local schools and to Torbay Council's Viewpoint Panel,</p> <p>The consultation caravan visited the 3 towns and Churston library during March, consulting specifically on the use of libraries and subsidised transport.</p> <p>A copy of the needs assessment will be made available online.</p> <p>Consultation will now be undertaken during July/August regarding the proposals outlined on page 2.</p>
5.	Outline the key findings	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: Include feedback on your proposal including where you have consulted on any alternative options. Also include response rates, number of attendees to events / focus groups, outline of specific interest groups consulted. Use bullet points to summarise the key conclusions.</p>
6.	What amendments may be required as a result of the consultation?	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: Has feedback from the consultation and engagement process identified any changes required to the proposal? Have you had to alter your decision and look at alternative options?</p>

Positive and Negative Equality Impacts *TO BE UPDATED ONCE CONSULTATION UNDERTAKEN*

		Details		
No	Question	Positive Impact	Negative Impact	Neutral Impact
7.	Identify the potential positive and negative impacts on specific groups			
	Older or younger people		<p>Possible reduced or no access to immediately local library services.</p> <p>Potential loss of locally accessible service. Older people, children and young people may be more significantly affected as they will need to travel further to access another library.</p> <p>Potential loss of free and adjoining car park.</p>	
	People with caring responsibilities		<p>Potential loss of locally accessible service. Carers may need to travel further to access another library on behalf of the person cared for.</p> <p>Potential loss of free and adjoining car park.</p>	
	People with a disability		<p>Potential loss of locally accessible service. People with mobility and other issues may need to travel further to access another library.</p>	

No	Question	Details	
			Potential loss of free and adjoining car park.
	Women or men		No differential impact
	People who are black or from a minority ethnic background (BME)		No differential Impact
	Religion or belief (including lack of belief)		No differential Impact
	People who are lesbian, gay or bisexual		No differential Impact
	People who are transgendered		No differential Impact
	People who are in a marriage or civil partnership		No differential Impact
	Women who are pregnant / on maternity leave		No differential Impact
	Socio-economic impacts (Including impact on child poverty issues and deprivation)		No differential Impact
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)		No differential Impact
8a.	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	Potential increased pressure on remaining libraries if volunteer offer or development unsuccessful. Increased demand for housebound service which is currently in the stages of being established.	No differential Impact

No	Question	Details
8b.	<p>Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)</p>	

Section 3: Mitigating action TO BE UPDATED ONCE CONSULTATION UNDERTAKEN

No	Action	Details
<p>9. Page 15</p>	<p>Summarise any negative impacts and how these will be managed?</p>	<p><i>Outline each negative impacts identified relating to equalities in question 7 and how each impact will be managed / monitored so that they are reduced / eliminated or mitigated. What ways can the negative impact be minimised?</i></p> <p>It is proposed that transitional funding is applied for 15/16 to enable alternative community solution to be explored (£105k) - this is subject to agreement.</p>

Section 4: Monitoring TO BE UPDATED ONCE CONSULTATION UNDERTAKEN

No	Action	Details
10.	<p>Outline plans to monitor the actual impact of your proposals</p>	<p><i>The full impact of decisions will only be known once it is introduced. Identify arrangements for reviewing the actual impact of proposals once they have been implemented, including dates and methods.</i></p>

Section 5: Recommended course of action – **TO BE COMPLETED WHEN ALL SECTIONS COMPLETE AND EIA FINALISED**

No	Action	Outcome	Tick ✓	Reasons/justification for recommended action
11.	<p>State a recommended course of action <i>Clearly identify an option and justify reasons for this decision. The following four outcomes are possible from an assessment (and more than one may apply to a single proposal). Please select from the 4 outcomes and justify the reasons for your decision</i></p>	<p>Outcome 1: No major change required - EIA has not identified any potential for adverse impact in relation to equalities and all opportunities to promote equality have been taken</p> <p>Outcome 2: Adjustments to remove barriers – Action to remove the barriers identified in relation to equalities have been taken or actions identified to better promote equality</p> <p>Outcome 3: Continue with proposal - Despite having identified some potential for adverse impact / missed opportunities in relation to equalities or to promote equality. Full justification required, especially in relation to equalities, in line with the duty to have 'due regard'.</p> <p>Outcome 4: Stop and rethink – EIA has identified actual or potential unlawful discrimination in relation to equalities or adverse impact has been identified</p>		

Savings Proposals 2015/16: Equality Impact Assessment (EIA) – Library Inclusion Services – Blind Club & Prime Time - DRAFT

Officer Name:	Nick Niles	Position:	Community and Performance Librarian
Business Unit:	Residents and Visitor Services	Directorate:	PLACE
Date Started :	June 2014	Date of current version:	June 2014

The council and its partners are facing a significant challenge in the savings it needs to make over the next couple of years. This Equality Impact Assessment (EIA) has been developed as a tool to enable business units to fully consider the impact of their proposals on the community. As a council we need to ensure that we are able to deliver the savings that we need to make while mitigating against any negative or adverse impacts on particular groups across our communities.

This EIA will evidence that the Council have fully considered the impact of the proposed changes and has carried out appropriate consultation on those changes with the key stakeholders. This EIA and the evidence provided within it will allow Councillors to make informed decisions as part of the decision-making process regarding the council's budget.

Executive Lead / Head Sign off (*when final version*):

Executive Lead(s)	Executive Head:
Date:	Date:

Summary from Overall Savings Proposals:

Proposals – Outline	Savings for 2015/16		Implementation Cost Include brief outline + year incurred	Delivery When will this proposal realise income / savings	Risks / impact of proposals	Type of decision		
	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
Loss of post of Inclusion Services Coordinator (0.51 fte)		11,900	Associated redundancy costs and pension strain if applicable	April 2015	<ul style="list-style-type: none"> • Potential risks • Impact on community • Knock on impact to other agencies • If statutory service please state relevant legislation section and Act together with any statutory guidance issued. 		X	

Section 1: Purpose of the proposal/strategy/decision

No	Question	Details
1.	Clearly set out the proposal and what is the intended outcome.	<p>This proposal is to delete the post of the Inclusion Services Co-ordinator. . .</p> <p>The current role includes:</p> <ul style="list-style-type: none"> ● Management of delivery of library services to residential homes, day centres and similar establishments in Torbay (this will transfer to another department in libraries) ● Management of the RNIB Talking Books contract for the benefit of visually impaired customers in Torbay (this will transfer to another department in libraries) ● Acting as lead in respect of services to disadvantaged groups. ● Running clubs for Visually Impaired People and over 55s (specifically the Blind Club and Prime Time Club respectively) <p>The proposal means the two clubs (The Blind Club and the Prime Time Club) will cease operation.</p>
2.	Who is intended to benefit / who will be affected?	<p>A very small number of visually impaired customers who normally meet at Torquay library 10 times a year in order to discuss their reading choices will no longer have this opportunity. Although these customers benefit from subscription to RNIB talking books, the socialisation element offered by attendance at this his club will be lost. These customers belong to the Blind Club.</p> <p>Prime Time events are held at Paignton library 4 times a year, and involve an afternoon with a speaker and refreshments. The average audience size is around 40, though up to 60 has been known. Anyone over 55 can attend whether they are a resident or visitor and this age group will no longer be able to attend this cultural/educational/recreational activity. Libraries organise & pay the speakers, produce publicity, host and book the venue.</p>

Section 2: Equalities, Consultation and Engagement

Torbay Council has a moral obligation as well as a duty under the Equality Act 2010 to eliminate discrimination, promote good relations and advance equality of opportunity between people who share a protected characteristic and people who do not.

The **Equalities, Consultation and Engagement** section ensures that, as a council, we take into account the Public Sector Equality Duty at an early stage and provide evidence to ensure that we fully consider the impact of our decisions/proposals on the Torbay community.

Evidence, Consultation and Engagement

No	Question	Details
3.	Have you considered the available evidence?	<p>Prime Time group members are aged 55+. This is not a club with a set of members, the events are free for any person over 55 to visit. The numbers at each event can fluctuate depending on the appeal of the speaker, other engagements etc. Audience size fluctuates from 40 – 60ish.</p> <p>Blind Club members are partially sighted/blind. This is a small group which has a very small number of active members. They are elderly – 70+ and require a taxi to bring them to the library.</p> <p>There have been 10 meetings of the Blind Club since July 2013, taking place on a Thursday afternoon when the library at Torquay is closed. Members bring back reading materials issued at the last event and the Inclusion Services Co-ordinator reads synopses of various pre-selected spoken word items so that members can make informed choices about what to read next. A cup of tea and general social discussion usually follows before the items chosen from the synopses reading exercise are issued to members. These meetings normally last around 2 hours before a taxi collects the members to take them away.</p>
4.	How will / have you* consulted on the proposal?	<p>Consultation will be undertaken directly with members of each group.</p>
5.	Outline the key findings	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: Include feedback on your proposal including where you have consulted on any alternative options. Also include response rates, number of attendees to events / focus groups, outline of specific interest groups</p>

No	Question	Details
		consulted. Use bullet points to summarise the key conclusions.
6.	What amendments may be required as a result of the consultation?	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: Has feedback from the consultation and engagement process identified any changes required to the proposal? Have you had to alter your decision and look at alternative options?</p>

Positive and Negative Equality Impacts **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

		Details		
No	Question	Positive Impact	Negative Impact	Neutral Impact
7.	Identify the potential positive and negative impacts on specific groups			
	Older or younger people		<p>Prime Time: This activity is aimed at those aged 55+. Potential loss of social/educational/recreational opportunity</p> <p>Blind Club: Current members are over 70 years of age. Potential loss of social activity and contact with others. Potential loss of assistance in choosing reading materials that meet their tastes and needs (or as disability below).</p>	
	People with caring responsibilities			No differential impact
	People with a disability		<p>Blind Club: visually impaired customers may no longer have access to a club where they can discuss reading and enjoy social contact outside of their normal environment.</p>	
	Women or men			No differential Impact
	People who are black or from a minority ethnic background (BME)			No differential Impact
	Religion or belief (including lack of belief)			No differential Impact

Section 3: Mitigating action **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

No	Action	Details
9.	Summarise any negative impacts and how these will be managed?	Outline each negative impacts identified relating to equalities in question 7 and how each impact will be managed / monitored so that they are reduced / eliminated or mitigated. What ways can the negative impact be minimised?

Section 4: Monitoring **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

No	Action	Details
10.	Outline plans to monitor the actual impact of your proposals	The full impact of decisions will only be known once it is introduced. Identify arrangements for reviewing the actual impact of proposals once they have been implemented, including dates and methods.

Section 5: Recommended course of action – **TO BE COMPLETED WHEN ALL SECTIONS COMPLETE AND EIA FINALISED**

No	Action	Outcome	Tick ✓	Reasons/justification for recommended action
11.0 11.0 24	State a recommended course of action Clearly identify an option and justify reasons for this decision. The following four outcomes are possible from an assessment (and more than one may apply to a single proposal). Please select from the 4 outcomes and justify the reasons for your decision	<p>Outcome 1: No major change required - EIA has not identified any potential for adverse impact in relation to equalities and all opportunities to promote equality have been taken</p> <p>Outcome 2: Adjustments to remove barriers – Action to remove the barriers identified in relation to equalities have been taken or actions identified to better promote equality</p> <p>Outcome 3: Continue with proposal - Despite having identified some potential for adverse impact / missed opportunities in relation to equalities or to promote equality. Full justification required, especially in relation to equalities, in line with the duty to have 'due regard'.</p>		

		<p>Outcome 4: Stop and rethink – EIA has identified actual or potential unlawful discrimination in relation to equalities or adverse impact has been identified</p>		
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DRAFT

Savings Proposals 2015/16: Equality Impact Assessment (EIA) – Reduction in Library Resources Fund - DRAFT

Officer Name:	Nick Niles	Position:	Community and Performance Librarian
Business Unit:	Residents and Visitor Services	Directorate:	Place
Date Started :	June 2014	Date of current version:	June 2014

The council and its partners are facing a significant challenge in the savings it needs to make over the next couple of years. This Equality Impact Assessment (EIA) has been developed as a tool to enable business units to fully consider the impact of their proposals on the community. As a council we need to ensure that we are able to deliver the savings that we need to make while mitigating against any negative or adverse impacts on particular groups across our communities.

This EIA will evidence that the Council have fully considered the impact of the proposed changes and has carried out appropriate consultation on those changes with the stakeholders. This EIA and the evidence provided within it will allow Councillors to make informed decisions as part of the decision-making process regarding the council's budget.

Page 26
Executive Lead / Head Sign off (*when final version*):

Executive Lead(s)	Executive Head:
Date:	Date:

Summary from Overall Savings Proposals:

Proposals – Outline	Savings for 2015/16		Implementation Cost Include brief outline + year incurred	Delivery When will this proposal realise income / savings	Risks / impact of proposals	Type of decision		
	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
Resources fund reduction		67,850		2015/16	<ul style="list-style-type: none"> • Potential risks • Impact on community • Knock on impact to other agencies • If statutory service please state relevant legislation section and Act together with any statutory guidance issued. <p>Resources fund reductions will mean that fewer books, DVDs, CDs, spoken word materials and online resources will be purchased.</p>			X

Section 1: Purpose of the proposal/strategy/decision

No	Question	Details
1.	<p>Clearly set out the proposal and what is the intended outcome.</p>	<p><i>Outline exactly what the proposal is / whether there is any change including reasons for the change. List the key objectives of the proposal/strategy. It is important to identify the specific outcomes that this proposal intends to deliver.</i></p> <p>This proposal is to reduce the amount of money available to the resources fund by £68,750 by purchasing fewer items. The current budget for 2014/15 is £171,900.</p> <p>Torbay libraries purchase a range of books and media in a wide range of formats to meet individual needs via the resources fund. Items are purchased in line with Torbay Libraries Stock Policy Statement.</p> <ul style="list-style-type: none"> ● Resources fund reductions will mean that fewer books, DVDs, CDs, spoken word materials and online resources will be purchased. In the last 2 years this will mean that the resources fund has been reduced by 25%. ● Existing stock may become out of date and physical condition may deteriorate as normal shelf life needs to be extended. ● There may be a loss of income through reduced acquisition and provision of income generation items such as DVDs and CDs. ● There may be a slower response to requests for stock items not immediately available on library shelves
2.	<p>Who is intended to benefit / who will be affected?</p>	<p>Library customers could potentially be affected by this reduction.</p>

Section 2: Equalities, Consultation and Engagement

Torbay Council has a moral obligation as well as a duty under the Equality Act 2010 to eliminate discrimination, promote good relations and advance equality of opportunity between people who share a protected characteristic and people who do not.

The **Equalities, Consultation and Engagement** section ensures that, as a council, we take into account the Public Sector Equality Duty at an early stage and provide evidence to ensure that we fully consider the impact of our decisions/proposals on the Torbay community.

Evidence, Consultation and Engagement

No	Question	Details
3.	Have you considered the available evidence?	<p>Statistics collated by CIPFA show that Torbay ranked 8 highest of 15 comparator authorities for £ spend per 1000 population on materials (resources). The 2012/13 'actuals' figure saw Torbay spend £1,335 per 1000 population with the average spend within the comparator group totalling £1473.</p> <div data-bbox="817 734 1345 1653" style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;">Total Materials</p> <p>Key to graph: (d) North Tyneside (w) Poole (k) Bournemouth (x) Blackpool (z) Isle of Wight (s) Cornwall (h) Sefton (n) Torbay (a) Barth & North East Somerset (f) Darlington (t) Plymouth (r) East Riding of Yorkshire (m) Wirral (u) York (e) North Somerset</p> </div>

		Details
4.	<p>How will / have you* consulted on the proposal?</p> <p><i>*delete as appropriate</i></p>	<p>Consultation on this proposal will be undertaken as part of the Councils budget setting process</p>
5.	<p>Outline the key findings</p>	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: <i>Include feedback on your proposal including where you have consulted on any alternative options. Also include response rates, number of attendees to events / focus groups, outline of specific interest groups consulted. Use bullet points to summarise the key conclusions.</i></p>
6.	<p>What amendments may be required as a result of the consultation?</p>	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: <i>Has feedback from the consultation and engagement process identified any changes required to the proposal? Have you had to alter your decision and look at alternative options?</i></p>

Positive and Negative Equality Impacts **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

		Details		
No	Question	Positive Impact	Negative Impact	Neutral Impact
7.	Identify the potential positive and negative impacts on specific groups		<p>Potential reduction in the number of stock items that are purchased resulting in fewer items to choose from.</p> <p>Potential reduction in numbers of large print materials which are popular with the elderly who may need larger font sizes.</p> <p>Potential reduction in educational and leisure reading materials for early years readers, school children and students</p> <p>Potential reduction in reading materials for non English speaking children</p>	
	Older or younger people			
	People with caring responsibilities People with a disability		Disabled customers who have difficulty reading standard print sizes or holding a book may be affected by reductions in purchase of large print items or spoken word materials.	No differential impact
	Women or men			No differential impact

Details	
No	Question
	<p>People who are black or from a minority ethnic background (BME)</p> <p>Religion or belief (including lack of belief)</p> <p>People who are lesbian, gay or bisexual</p> <p>People who are transgendered</p> <p>People who are in a marriage or civil partnership</p> <p>Women who are pregnant / on maternity leave</p> <p>Socio-economic impacts (Including impact on child poverty issues and deprivation)</p> <p>Public Health impacts (How will your proposal impact on the general health of the population of Torbay)</p> <p>Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)</p>
	<p>Potential reduction in the number of stock items that are purchased resulting in fewer items to choose from.</p> <p>Potential reduction in the number of stock items that are purchased, including books in other languages</p>
	No differential impact
8a.	<p>Are any cumulative impacts identified across your service area from proposals in other departments OR from other service areas? Please explain what these might be (you may need to revisit this section once proposals have been further defined)</p>

No	Question	Details
8b.	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	Are any cumulative impacts identified across your service area from proposals in other public services or partner organisations? Please explain what these might be (you may need to revisit this section once proposals have been further defined)

Section 3: Mitigating action TO BE UPDATED ONCE CONSULTATION UNDERTAKEN

No	Action	Details
9.	Summarise any negative impacts and how these will be managed?	Outline each negative impacts identified relating to equalities in question 7 and how each impact will be managed / monitored so that they are reduced / eliminated or mitigated. What ways can the negative impact be minimised?

Section 4: Monitoring TO BE UPDATED ONCE CONSULTATION UNDERTAKEN

No	Action	Details
10.	Outline plans to monitor the actual impact of your proposals	The full impact of decisions will only be known once it is introduced. Identify arrangements for reviewing the actual impact of proposals once they have been implemented, including dates and methods.

Section 5: Recommended course of action – TO BE COMPLETED WHEN ALL SECTIONS COMPLETE AND EIA FINALISED

No	Action	Outcome	Tick ✓	Reasons/justification for recommended action
11.	State a recommended course of action <i>Clearly identify an option and justify reasons for this</i>	Outcome 1: No major change required - EIA has not identified any potential for adverse impact in relation to equalities and all opportunities to promote equality have been taken		

<p>decision. The following four outcomes are possible from an assessment (and more than one may apply to a single proposal). Please select from the 4 outcomes and justify the reasons for your decision</p>	<p>Outcome 2: Adjustments to remove barriers – Action to remove the barriers identified in relation to equalities have been taken or actions identified to better promote equality</p> <p>Outcome 3: Continue with proposal - Despite having identified some potential for adverse impact / missed opportunities in relation to equalities or to promote equality. Full justification required, especially in relation to equalities, in line with the duty to have 'due regard'.</p> <p>Outcome 4: Stop and rethink – EIA has identified actual or potential unlawful discrimination in relation to equalities or adverse impact has been identified</p>		
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To Chair of Priorities
and Resources Review Panel

17th July 2014.

Dear Sir/Madam,

I was devastated when I heard of
the possibility of Torbay Council closing
Churston Library.

I am a retired school teacher and
have lived in this area for over 30
years. Many elderly people live alone
here. The Library is their major
lifeline. The Library is the hub of
the community for young and old.

Please Save It

Yours faithfully
Sue Bloomer.

18 JUL 2014



To whom it may concern on the Priorities and Resources Review Panel

Saving £297,500 from the Library Service is bound to be painful for Torbay and is being planned whilst the outcome of Maria Miller MP & Ed Vaisey MP's Consultation on Public Libraries has not published its findings; although they are expected in September.

I took part in this consultation with the Dept of Media, Culture, Sport and Communities stating:

"The current reduction in services at local level due to central government dictat has denied many of the public access to a place that has been freely available to all since 1850. Already in Torbay there is no scope to use a library after work, with limited opening at weekends on Saturday morning only. Other opportunities for betterment have been lost across the country with cuts to adult education.

Libraries are warm, welcoming, and accessible, bringing all ages together. They offer good access for disabled people with physical ramps and lifts, hearing loops and large print books. Small children are welcomed to cosy reading corners with bright books to stimulate their imaginations. No doubt most politicians started their reading journey in a library. For single parents and others with little income, the library is not only a refuge but also an opportunity to engage, maybe take up learning successfully after failure at school. Free access to computers is essential as more and more services need to be completed online.

Older people can master the skills needed to use a PC, take out books that stimulate the mind, develop new skills and interests, or just pop in for a companionable chat and to read the daily paper. Local studies are supported, as is research into family history. In Brixham our pro-active Friends group raises funds for essentials that the Library Service cannot afford, we also offer a community programme in this central venue.

There is clearly a need for access at all times from the electorate. This is proven by the wide range of successful classes and activities offered by the Friends of Brixham Library (FoBL) outside library opening hours - both afternoons and in the evenings. The FoBL have shown it is possible to generate money and goodwill rather than cut the service. There is a need for more cultural activities for all ages that are affordable and accessible.

The FoBL feel that our libraries are best placed to become community hubs offering education, information and culture. The 600 people who took up our programme last year demonstrated that this is the way forward.

The government needs to give clear guidance to local authorities on their support for libraries which are a soft target in the current swingeing round of cuts. This consultation must result in the funding to ensure our libraries are up to date and thriving."

I note that Torbay's review of library services draws the same points from users:

"I visit the library with my children and it is difficult since the reduction in hours last year. We cannot take another cut in hours. I rely on their books to help my children with reading and development we need the library to help with education and support."

"An important meeting/social place particularly for the elderly, somewhere warm and safe and a good all round information centre."

“The library is far too important to consider closing and the help given in the library needs to be of a high standard which might not be possible if it is run by volunteers.”

“Use the venue for night school type courses

“Establish regular talks and short courses from communities and organisation. Charge a small fee to attend.”

“We would ask you to consider new ways of providing a library service it for the 21st century which offers more choice and increased activities rather than reductions that will ultimately make the service non-viable.”

In your decision-making regarding the existing service reductions, please bear in mind that every library closed is an opportunity lost. The national consultation can be expected to encourage a move to a digital library service offering a wide range of services. As this will require funding I anticipate the government will find it. Surely, Torbay should await the recommendations before implementing cuts to the service.

The profile from your review is predominantly older users, aged 35-75, the majority of whom are retired. Only 110 younger people gave feedback from the 2038 who took part in the review. Their feedback when the caravan came to Brixham was there was no WiFi in the Library, but if there were, they would use it.

It is essential we maintain libraries for the future with modern facilities. There is a need for more cultural activities for all ages that are affordable and accessible. The Council needs to support and ‘grow’ the Friends groups across the Bay to encourage more opportunities for learning and social activities as well as employing well trained front line staff.

Jenny Harriman
Chair of Friends of Brixham Library
15.08.14

Agenda Item 3a

Draft Proposals – Outline details	Actual Budget 2014/2015	Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
		Income £	Budget reduction £				
	500,000			0			
37. ERTC Reduction in grant over two years to the English Riviera Tourism Company (ERTC) (Proposal agreed by Council in Feb 2014)			85,000				
38. ERTC Cease subsidy to the English Riviera Tourism Company (ERTC)			415,000		TBC	April 2015	Major Proposal This proposal is to cease 100% of the grant funding to the ERTC. There is the potential risk that this will result in destination marketing and the delivery of the visitor service information being lost. It is proposed that transitional funding will be applied for 15/16 (£300k) – this is subject to agreement.

Additional Information Requested

Proposal 37 English Riviera Tourism Company (proposals already agreed)

Proposal 38 English Riviera Tourism Company

Update the Equality Impact Assessment – What discussions have taken place with the ERTC ? What consultation is underway?

Discussions have taken place directly with the Chief Executive of the ERCT and the Chairman of the Board who in turn have discussed this with the ERTC Board.

Ongoing consultation includes not only the ERTC but sections of the business and retail community with options for alternative funding being explored through a potential TBID.

Budget Proposals 2015/16: Equality Impact Assessment (EIA) – English Riviera Tourism Company - DRAFT

Officer Name:	Sue Cheriton	Position:	Executive Head
Business Unit:	Residents and Visitor Services	Directorate:	Place and Resources
Date Started :	May 2014	Date of current version:	June 2014

The council and its partners are facing a significant challenge in the savings it needs to make over the next couple of years. This Equality Impact Assessment (EIA) has been developed as a tool to enable business units to fully consider the impact of their proposals on the community. As a council we need to ensure that we are able to deliver the savings that we need to make while mitigating against any negative or adverse impacts on particular groups across our communities.

This EIA will evidence that the Council have fully considered the impact of the proposed changes and has carried out appropriate consultation on those changes with the stakeholders. This EIA and the evidence provided within it will allow Councillors to make informed decisions as part of the decision-making process regarding the council's budget.

Page 40
Executive Lead / Head Sign off (*when final version*):

Executive Lead(s)	Cllr Jeanette Richards	Executive Head:	Sue Cheriton
Date:		Date:	

Summary from Overall Savings Proposals:

Proposals – Outline	Savings for 2015/16		Implementation Cost Include brief outline + year incurred	Delivery When will this proposal realise income / savings	Risks / impact of proposals	Type of decision		
	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
ERTC - Cease subsidy to the English Riviera Tourism Company (ERTC)		415,000	Redundancy payments may be incurred and committed contracted costs that cannot be honoured	April 2015	<ul style="list-style-type: none"> • Potential risks • Impact on community • Knock on impact to other agencies • If statutory service please state relevant legislation section and Act together with any statutory guidance issued. <p>This proposal is to cease 100% of the grant funding to the ERTC.</p> <p>There is the potential risk that this will result in destination marketing and the delivery of the visitor service information being lost.</p> <p>It is proposed that transitional funding will be applied for 15/16 (£300k) – this is subject to agreement.</p>			X

Section 1: Purpose of the proposal/strategy/decision

No	Question	Details
1.	Clearly set out the proposal and what is the intended outcome.	<p>It is proposed to cease payment through the revenue budget for the full Contract Commissioning Fee from April 2015. This currently is £415,000 taking into account previously agreed reductions during the 2014/15 budget process.</p> <p>It is proposed that transitional funding will be applied for 15/16 (£300k) – this is subject to agreement.</p>
2.	Who is intended to benefit / who will be affected?	<p>Some or all of the services provided by the ERTC could potentially be lost as a result in the proposed reduction in funding. Those likely to be impacted are:</p> <ul style="list-style-type: none"> ● The ERTC Company and Board ● ERTC promotional partners who rely on the ERTC to promote their businesses may be affected ● Attractions may also be affected as people may not have the option of getting information from the traditional sources and marketing activity will be reduced overall ● Visitors - less enquiries may be able to be responded to via face to face, phone or email. So potential visitors may have a lesser service overall. ● Local residents who jobs rely directly or indirectly on the tourism industry and those who see these services as vital to the general economy of the area

Section 2: Equalities, Consultation and Engagement

Torbay Council has a moral obligation as well as a duty under the Equality Act 2010 to eliminate discrimination, promote good relations and advance equality of opportunity between people who share a protected characteristic and people who do not.

The **Equalities, Consultation and Engagement** section ensures that, as a council, we take into account the Public Sector Equality Duty at an early stage and provide evidence to ensure that we fully consider the impact of our decisions/proposals on the Torbay community.

Evidence, Consultation and Engagement

No	Question	Details
3.	Have you considered the available evidence?	<p>Tourism Statistics for the English Riviera:</p> <p>National Statistics – 2012 for Torbay (Visit England) – latest available</p> <ol style="list-style-type: none"> 1. 2012 saw a 1% uplift in total visitors (trips) to the English Riviera compared to 0% for the whole of Devon 2. 2012 saw a 16% uplift in total staying visitor spend to the English Riviera compared to 15% for the whole of Devon 3. 2012 saw a 18% uplift in total overseas visitors to the English Riviera compared to 10% for the whole of Devon 4. 2012 saw a 28% uplift in total day visits to the English Riviera compared to 9% for the whole of Devon <p>☐ Total direct value of tourism to Torbay in 2012 was: £427,870,000</p> <p>☐ Total indirect value of tourism to Torbay in 2012 was: £563,217,000</p> <p>☐ Total number of jobs provided by tourism in 2012 was: 12,020</p> <p>☐ 21% of the total population in 2012 were dependent on tourism for employment</p>

No	Question	Details																							
		<p>There are a number of quarterly performance indicators that show that tourism across the bay is improving:</p> <table border="1" data-bbox="325 107 979 1680"> <thead> <tr> <th data-bbox="325 1285 507 1680">Indicator</th> <th data-bbox="325 893 507 1285">2012/13</th> <th data-bbox="325 501 507 893">2013/14</th> <th data-bbox="325 107 507 501">Notes</th> </tr> </thead> <tbody> <tr> <td data-bbox="507 1285 652 1680">Businesses who consider their business to be the same/better than the previous year</td> <td data-bbox="507 893 652 1285">51%</td> <td data-bbox="507 501 652 893">58%</td> <td data-bbox="507 107 652 501">Target 75% - Below target but up on previous year</td> </tr> <tr> <td data-bbox="652 1285 798 1680">Businesses who reported turnover is the same of higher than the previous quarter last year</td> <td data-bbox="652 893 798 1285">47%</td> <td data-bbox="652 501 798 893">55%</td> <td data-bbox="652 107 798 501">Target 75% - Below target but up on previous year</td> </tr> <tr> <td data-bbox="798 1285 869 1680">Attractions who reported their visitor number were the same or higher than previous year</td> <td data-bbox="798 893 869 1285">71%</td> <td data-bbox="798 501 869 893">50%</td> <td data-bbox="798 107 869 501">Target 75% - Below target. Many attraction are weather dependant and the good summer affected all indoor attractions</td> </tr> <tr> <td data-bbox="869 1285 979 1680">Business confidence on future booking levels for the next quarter</td> <td data-bbox="869 893 979 1285">38%</td> <td data-bbox="869 501 979 893">63%</td> <td data-bbox="869 107 979 501">Target 65% - slightly below target</td> </tr> </tbody> </table>				Indicator	2012/13	2013/14	Notes	Businesses who consider their business to be the same/better than the previous year	51%	58%	Target 75% - Below target but up on previous year	Businesses who reported turnover is the same of higher than the previous quarter last year	47%	55%	Target 75% - Below target but up on previous year	Attractions who reported their visitor number were the same or higher than previous year	71%	50%	Target 75% - Below target. Many attraction are weather dependant and the good summer affected all indoor attractions	Business confidence on future booking levels for the next quarter	38%	63%	Target 65% - slightly below target
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Business confidence on future booking levels for the next quarter	38%	63%	Target 65% - slightly below target																						

Details	
No	Question
4.	<p>How will / have you* consulted on the proposal?</p> <p>The Director of Place and Resources has advised the ERTC's CEO, Chairman and Board Directors of the proposed reductions but explained that transition funding is being considered to bridge the funding gap till the TBID vote is taken in later in 2015/ early 2016.</p> <p>Once the transition funding arrangements have been confirmed then further consultation will take place with promotional partners and the wider tourism sector.</p> <p>It is proposed that transitional funding will be applied for 15/16 (£300k) – this is subject to agreement.</p> <p>There will be consultation with local residents through online and paper based surveys as part of the wider budget consultation process.</p> <p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: <i>Include feedback on your proposal including where you have consulted on any alternative options. Also include response rates, number of attendees to events / focus groups, outline of specific interest groups consulted. Use bullet points to summarise the key conclusions.</i></p>
5.	<p>Outline the key findings</p> <p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: <i>Has feedback from the consultation and engagement process identified any changes required to the proposal? Have you had to alter your decision and look at alternative options?</i></p>
6.	<p>What amendments may be required as a result of the consultation?</p>

Positive and Negative Equality Impacts **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

No		Question	Details		
7.		Identify the potential positive and negative impacts on specific groups	Positive Impact	Negative Impact	Neutral Impact
		Older or younger people		Loss of counter/phone Visitor Information Services (if this were to be removed) would impact on older people who do not have web access	
		People with caring responsibilities		No differential impact	
		People with a disability		No differential impact	
		Women or men		No differential impact	
		People who are black or from a minority ethnic background (BME)		No differential impact	
		Religion or belief (including lack of belief)		No differential impact	
		People who are lesbian, gay or bisexual		No differential impact	
		People who are transgendered		No differential impact	
		People who are in a marriage or civil partnership		No differential impact	
		Women who are pregnant / on maternity leave		No differential impact	
		Socio-economic impacts (Including impact on child poverty issues and deprivation)		18% of Torbay working population work in Tourism related businesses. If visitors reduce this may impact on income for families	
		Public Health impacts (How will		No differential impact	

No	Question	Details
	your proposal impact on the general health of the population of Torbay)	
8a.	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	There are no other proposals within the budget which impact upon the ERTC directly.
8b.	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	The tourism economy could be affected by reduced/loss of services if no other funding can be found to supplement the service or services may cease altogether. The Council is the only public sector organisation that supports the ERTC, and therefore no other public sector proposals will impact upon them.

Page 4

Section 3: Mitigating action **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

No	Action	Details
9.	Summarise any negative impacts and how these will be managed?	Outline each negative impacts identified relating to equalities in question 7 and how each impact will be managed / monitored so that they are reduced / eliminated or mitigated. What ways can the negative impact be minimised? It is proposed that transitional funding will be applied for 15/16 (£300k) – this is subject to agreement.

Section 4: Monitoring **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

No	Action	Details
10.	Outline plans to monitor the actual impact of your proposals	The full impact of decisions will only be known once it is introduced. Identify arrangements for reviewing the actual impact of proposals once they have been implemented, including dates and methods.

Section 5: Recommended course of action – **TO BE COMPLETED WHEN ALL SECTIONS COMPLETE AND EIA FINALISED**

No	Action	Outcome	Tick ✓	Reasons/justification for recommended action
11.	<p>State a recommended course of action <i>Clearly identify an option and justify reasons for this decision. The following four outcomes are possible from an assessment (and more than one may apply to a single proposal). Please select from the 4 outcomes and justify the reasons for your decision</i></p>	<p>Outcome 1: No major change required - EIA has not identified any potential for adverse impact in relation to equalities and all opportunities to promote equality have been taken</p> <p>Outcome 2: Adjustments to remove barriers – Action to remove the barriers identified in relation to equalities have been taken or actions identified to better promote equality</p> <p>Outcome 3: Continue with proposal - Despite having identified some potential for adverse impact / missed opportunities in relation to equalities or to promote equality. Full justification required, especially in relation to equalities, in line with the duty to have ‘due regard’.</p> <p>Outcome 4: Stop and rethink – EIA has identified actual or potential unlawful discrimination in relation to equalities or adverse impact has been identified</p>		



English Riviera Tourism Company's Response to 2015/16 Tourism Budget Proposal

Response to Overview & Scrutiny Panel – September 2015

The private sector ERTC board members strongly oppose the mayor's proposal to remove the tourism budget from Torbay Council's annual revenue budget and to take this payment to zero from April 1st 2015.

From the research we have undertaken, we cannot find any evidence, of any other major UK holiday seaside resort, where the Local Authority (LA) is proposing a zero budget for tourism from April 2015. Torbay Council's zero budget plans have raised concerns nationally from VisitEngland, The National Tourism Alliance and The British Resorts and Destinations Association.

We believe that a zero annual revenue budget, if approved, for an industry worth £450 million per annum to the local economy, sends out all the wrong messages and could seriously harm the resorts reputation and slow down recent progress, with increased visitor volume and value recorded for three consecutive years in: 2011, 2012, 2013.

The fact is **41% of the local population** rely directly or indirectly on tourism and retail for employment,* with tourism's importance, also highlighted again in the recent Labour Force Survey which shows that tourism has been a major force in the UK's economic recovery. As such now is not the time to take Torbay's tourism budget to zero with 12,000+ jobs at stake and 41% of the local population to consider.

Considering the size and significance of tourism to Torbay we consider that Torbay Council has a 'duty of care' to the 700+ tourism and hospitality businesses that operate across the resort. Many of these businesses are privately run micro and SME businesses that need and rely on professional Destination Marketing support for which they are not in a position to arrange or afford independently.

In Great Yarmouth the LA have protected £300k per annum for tourism which is paid to the TBID Company to help deliver the Business Plan. We ask Torbay Council to commit to do the same.

The ERTC are fully committed to the development of the TBID, working in partnership with Torbay Council and the Town Centre Company to secure vital sustainable funds for the continued delivery of professional Destination Marketing activities and will work to support the delivery of the provisional ballot timetable which is September 2015.

To conclude the fact is, LA's in well-established destinations such as Torbay have a vital role to play in assisting with the funding of destination management and marketing and should see this as a duty on behalf of the hundreds of businesses they represent.

For Torbay Council to now be proposing in effect, that they are walking away from this joint responsibility is making little sense to us as private sector directors or the industry at large.

We are asking that Torbay Council members challenge the mayor's draft proposal and look to reinstate a revised annual tourism revenue budget of £300k from April 2015.

Thank you for your continued support
Carolyn Custerson on behalf of the ERTC private sector board members
14th August 2015

*Latest Sheffield Hallam University Report

Title: English Riviera Tourism Company Budget Cut to £0

Statement:

We the undersigned petition the council to The council must not cut the ERTC's budget by £415,000 to £0, whilst keeping the Riviera International Conference Center (RICC) budget at £549,000 only being cut by £30,000 from £579,000.

Justification:

We need to continue to promote Torbay otherwise there will be no need to have a Conference Center as nobody will even know it exists. With other areas of the country such as Bournemouth, Yorkshire etc investing in marketing their areas, we will loose out. An area needs a permanent point of presence in advertising so that when people think of going away they immediately recall seeing or hearing about Torbay, and thus book to stay here. The tourism industry is made up of lots of small, medium and large businesses who all promote themselves, but we need a central marketing strategy and company that markets the area, benefiting not only Accommodation providers, but attractions, restaurants, pubs, the retail sector and other industries bay wide. To do away with the budget of the ERTC and stop marketing the bay will have a detrimental affect on all sectors, affecting jobs and inward investment. No developer will want to spend money in an area that doesn't even want to promote it's self. (Show truncated justification text)

Submitted by: Stuart Lewton, The Commodore, 14 Esplanade Road, Paignton, Devon, TQ4 6EB

Status: Completed - 187 Signatures

Date submitted: 08/08/2014

Agenda Item 3b

Appendix 2

Dear resources and scrutiny panel:

I am very sorry but we are unable to attend the budget public meetings at Brixham as we are in the tourism industry and it is high season.

Please accept and give our apologies.

I would ask that the panel consider the following questions regarding funding to the English Riviera Tourism Company Ltd budget removal: Your Number 11 in the proposals report

1. The repost mentions transition funding - what is the 'transition' from what to what? or is this it a deceitful euphemism for closure?
2. How will the Council ensure that tourist information and promotion carries on and is successful?
3. Does the panel believe that the budget proposal could damage any bid for promotional funding as it could be seen that a bid is just a cynical attempt to replace Council funding and not new money that can create a specific outcome and impact? What happens when the bid money, if it appears, ends?
4. There is a reliance in the proposal that there will be an alternative source of funding, but this is by no means certain. What will be the Council's position if the Bid fails and the tourism service closes. Will the Council find the money from elsewhere to rescue the service and in what form will the service manifest itself?
5. Your proposal identifies a risk that the promotion of tourism could be lost as a result of this decision. Has the panel been given a detailed impact assessment quantifying this identified risk - both in costs to the Council in lost revenues and increased demands on services and to the people and economy of Torbay as a whole.
6. The Elected Mayor talks about not funding 'private sector businesses... is it not true that ERTC belongs 100% to the Council and thus its company status is more device for operation and funding rather than it being a true private company with profits going to shareholders. The panel should investigate if the Elected Mayor need to be more open and honest in his reasoning. The panel needs to establish is the mayor is seeking to deceive the public on this point.
7. Has there been consideration of gaining savings, efficiencies and additional revenues to the Council by passing duplicated functions at the English Riviera Centre to the ERTC... The ERTC certainly knows how to promote, market and book accommodation using 2014 technologies.
8. There must have been good reasons for the Council to create the ERTC - should the panel revisit these? It is very easy to forget the position that went before and the achievements since. Do these achievements represent value for money for the grant?

I hope the Panel gives this issue the consideration it deserves. The budget proposal to end funding may have major consequences for the tourism industry and the wider economy - that may not be able to be reversed once a spiral of decline sets in.

I thank you for your time

kind regards.

Paul Moore

The Westgate, Torquay



www.westgatehotel.co.uk

stay@westgatehotel.co.uk

Agenda Item 3b

Appendix 3

Members of Priorities and Resources,

As chairman of the Bridge Group of Hotels, a buying/social group of 58 small hotels and guest houses in the Bay, I am astonished at yet another council proposal to perpetuate Gordon Oliver's vendetta against the ERTC by once again cutting their funding.

I am concerned as it is obvious to most, the essential work the ERTC has done in promoting the Bay over the last four years, on a fraction of the money, staff and resources that were enjoyed when it was run by the Council. The proposal to reduce the funding to zero over the next two years. will obviously inhibit the company's ability to market the Bay effectively. Not only against foreign package holidays but against the other resorts and city destinations in this country, who despite being subject to the same statutory pressures as Torbay, continue to recognize the importance of supporting their tourism marketing financially.

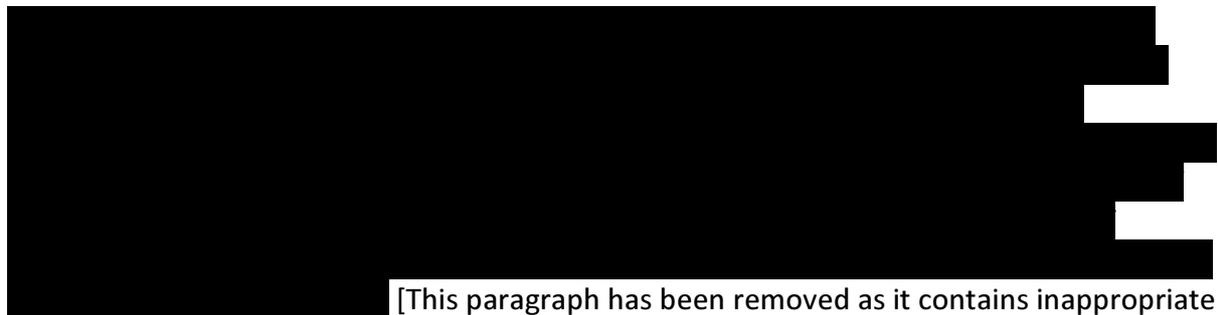
A decline in visitors to the Bay as a result of this short sighted proposal will not only affect the front line sectors of the industry, the accommodation, the food outlets and the attractions but also for the many thousands employed locally in the support chain, ie local suppliers Hallams Bakers, Devon Fresh, Fruit and Veg, Bays Brewery, Caterfood ,MJ Bakers etc, and their employees and suppliers who are all taxpayers and voters.

The Council should look at either selling or subcontracting the Riviera Centre to Private operators as the number of events has declined substantially over the last few years. Money should be taken from the reserves until it is sold to minimize the effect of cuts to not only the ERTC but Libraries, Street Wardens, Street Lighting etc

Otherwise raise council tax.

To whom it may concern,

We would like to stress our consternation at the proposal to cut the English Riviera Tourism Budget to £0. Whilst continuing to fund the Riviera International Center. The ERTC has promoted The Bay both nationally and internationally and has without doubt brought more people to the area, some directly and some indirectly. Tourism accommodation businesses are paying 1000's of pounds in commissions to booking sites such as Booking.com, which amounts to about 20% of turnover, where as 10 years ago we would have been spending 10% on advertising and very little on commissions. It is a shame that back when the Council Tourist board were running Tourism and signed up Eviivo as the destination manager the staff did not see the massive potential of an in house marketing and destination management system, which could have brought £1000's of pounds into the council's coffers. The ERTC has done a great job under very difficult circumstances whilst also dealing with the recession.



[This paragraph has been removed as it contains inappropriate comments and/or language]

There is a massive conflict of interest that cannot be ignored, Mr Oliver has been trying to get his hands on a large tourism budget since 2008 when he was chairman of the THA. His underhand and secretive ways of management are not helpful to Torbay and will leave a stigma and legacy that is hard get rid off after his term of Mayor has ended.

The RICC on the other hand has only 16 events programmed from 01 August 2014 to 31 July 2015, of the 5 events programmed for August 2014, 2 have been cancelled, one of which has been removed from the events list.

What's On: Event Listings

Summer 2014 Learn to Swim Crash Courses

Date(s): Mon 28th July 2014 - Fri 22nd August 2014

Revolution Skate Roller Disco

Date(s): Fri 1st August 2014

UNFORTUNATELY THIS EVENT HAS NOW BEEN CANCELLED. CONTACT DETAILS BELOW FOR ANY REFUNDS THAT ARE NEEDED

U18 UV Beach Party

Date(s): Wed 20th August 2014

UNFORTUNATELY THIS EVENT HAS NOW BEEN CANCELLED DUE TO UNFORSEEN CIRCUMSTANCES.

The Mascherata Ball

Date(s): Sat 30th August 2014

Torbay Gluten Free Food Fair

Date(s): Sat 6th September 2014

Butcombe Skittles Championships

Date(s): Fri 19th September 2014 - Sun 21st September 2014

Christian Services Association UK In His Presence

Date(s): Thu 25th September 2014 - Sat 27th September 2014

WOW Charity Ball 2014

Date(s): Sat 27th September 2014

Devon Wedding Show - Autumn 2014

Date(s): Sun 28th September 2014

'Raising the Roof' Comedy Night

Date(s): Fri 10th October 2014

Provincial Grand Chapter of Devonshire

Date(s): Sat 8th November 2014

Christmas Party Nights

Date(s): Fri 5th December 2014 - Sat 20th December 2014

Bournemouth Symphony Orchestra

Date(s): Fri 9th January 2015

National Federation of Young Farmers Clubs Annual Convention 2015

Date(s): Thu 23rd April 2015 - Mon 27th April 2015

Obstetric Anaesthesia Annual Meeting 2015

Date(s): Wed 20th May 2015 - Fri 22nd May 2015

English Bridge Union

Date(s): Fri 3rd July 2015 - Sun 5th July 2014

The RICC as a venue has had its day, the sports facilities and swimming pool should be kept open and made to pay for its self with reasonable tariffs charged for membership etc. The conference facilities however should be closed down as the cost of keeping staff on all year for 14 events is ridiculous. This is where a massive saving can be gained.

Yours faithfully

Stuart & Katrina Lewton
The Commodore
Paignton
TQ4 6EB

Agenda Item 3b

Appendix 5

Dear Sirs

Cutting the ERTC budget in the manner proposed by Mayor Gordon Oliver is, in my view, economic suicide for Torbay and political suicide for elected councillors.

Tourism is by far the largest business sector/employer and (in turn), wealth generator in the Bay. To remain competitive as the UK holiday destination of choice,

WE need the ERTC and THEY need our financial support. It's that simple.

Kind regards,
Pauline & Anthony Payne-Neale
Proprietors

COURT PRIOR
St Lukes Road South, Torquay, Devon TQ2 5NZ

From: Somerville Hotel
Sent: 18 August 2014 14:05
To: Scrutiny
Subject: Funding of The ERTC

To The Scrutiny Committee,

The continual attacks on the ERTC by Mayor Gordon Oliver have become as much a part of the Torbay year as The Agatha Christie Festival.

Year after year the ERTC has had to accept budget cuts. It has had to fend off attempts to interfere in its running. Despite this it has worked effectively to promote The English Riviera. It has won many national awards but more importantly can point to independent data that proves its work has been effective. In a normal World the local authority would be highlighting the work of the ERTC as an example of the very best private / public partnership working. Local authorities across the UK should be queuing up to see how effective management and collaborative working can produce miracles in extremely difficult financial circumstances.

This is not a normal World.

Gordon Oliver's association with Linda Hill and the Torbay Tourism Association means that there is a serious conflict of interest. In a recent BBC Devon interview he sought to give the impression that he had had nothing to do with this organization after he became Mayor. This was completely disingenuous apart from being the partner of the person who runs it, he was the landlord of the organization up until January of this year.

In the most recent edition of The Herald Express, Theresa Butto who is the Chairman of the Torbay Tourism Association sought to spread misinformation and fear about the possible Tourism and Retail Bid. She mentioned that businesses might have to pay £2000 or £3000. It was quite clear from the article that this organization had set its face against the Bid even before the process had produced any firm proposals.

The Mayor is spending £100,000 of public money on the bid process when his partner's own organization is clearly going to do everything it can to ensure the Bid fails. It is inconceivable that the Mayor and his partner should have divergent views as they have shared the same ambitions to control tourism for quite a number of years.

If the Bid fails there will be no ERTC left to carry on with marketing the Bay. Mrs Butto in her interview mentioned that businesses would have to do things for themselves in future. This seems to be the strongest hint yet that they see their organization as the one that will take the lead in tourism post ERTC and Bid.

The Torbay Tourism Association is the only organization in the Bay that will benefit from the demise of the ERTC and it is the only organization that will benefit from the failure of the Bid Process. It is immoral that the mayor should be squandering this money when he has a secret agenda and when we are seriously discussing the end of street lighting across the Bay

Mr Oliver needs to give a clear and unequivocal statement in support of the principle of the Bid. He needs to make clear that he disagrees with attempts by his partner's Association to spread misinformation about it.

Mr Oliver needs to say who he sold the TTA's office to and how much it was sold for.

The ERTC should be allowed to continue in existence to work on behalf of the people of Torbay. The Bid process should be allowed to continue so that an alternative model of funding might become available which would build upon the successes of the ERTC.

Yours faithfully,

Adam Millward
The Somerville
515 Babbacombe Road
Torquay
Devon
TQ1 1HJ
5 Star Gold Award Guest Accommodation
Tel 01803 294755
Fax 01803 215810
Web www.somervillehotel.co.uk
EM stay@somervillehotel.co.uk

Winner of Devon Bed and Breakfast, Guest Accommodation of the year award 2012/13
Winner SouthWest B&B of the year 2013 - Silver Award - South West Tourism Excellence Awards
Voted Number Two B&B for Devon by Tripadvisor 2014
Voted Number 1 Hotel in Devon by Trivago 2013
Winner - Top Top 10 B&B in the UK by Tripadvisor Traveler Choice Awards 2012
Winner of the South West Tourism Excellence Award - B&B, Guest Accommodation of the Year 2011
Winner of Devon Bed and Breakfast, Guest Accommodation of the year award 2010
Tripadvisor Reviews www.tripadvisor.co.uk/Hotel_Review-g186259-d586810-Reviews-The_Somerville-Torquay_English_Riviera_Devon_England

Museums (Including Torre Abbey and Archives):

What is provided?	Why is it provided?	What drives demands?
<p>There are 3 museums within Torbay:</p> <ul style="list-style-type: none"> • Torquay Museum • Brixham Museum • Torre Abbey <p>Torre Abbey is directly managed and funded by Torbay Council and provides grants to Torquay Museum & Brixham Museum.</p> <p>A joint arrangement is also in place with Devon County Council for provision of an archives service at the Devon records office.</p>	<p>The museums are provided as part of Torbay's cultural offering for residents and visitors.</p>	<p>Residents and visitors to Torbay:</p> <ul style="list-style-type: none"> • Number of visitors to Brixham Museum (2011/12) – 13,453 • Number of pupils visiting in groups – Brixham Museum (2011/12) – 616 • Number of visitors to Torquay Museum (2010/11) – 25,857

Draft Proposals – Outline details	Actual Budget 2014/2015	Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
	Income £	Budget reduction £					
<p>24. Museums Grants Savings generated through Future Museums Project (Proposal agreed by Council in Feb 2014)</p>	96,800	20,000		56,800			

Draft Proposals – Outline details	Actual Budget 2014/2015	Savings for 2015/16		Proposed Budget 2015/2016	Implementation Cost	Delivery Date	Possible Risks / impact of proposals
		Income £	Budget reduction £				
<p>25. Museums Grants Further reduction in Museum Grants</p>			20,000		None	April 2015	<p>Major proposal This would mean in 2015/16 museum would lose approx 40% of their budgets. There is the potential risk that if savings cannot be achieved from the Future Museum Project savings may need to be identified elsewhere within this service.</p>

Additional Information Requested

Proposal 24 Museums Grants (proposals already agreed)

Proposal 25 Museums Grants

Museums

	2013/2014		2014/2015		2015/2016
	Budget	Outturn	Budget	Projected Outturn (at Q1)	Projected Budget
Torre Abbey	165,000	327,200	169,800	£80k O/S	119,800
Museum Grants	98,700	96,800	96,800*	B/E	56,800
Museum Other	32,400	28,700	33,600	B/E	33,600
Archives	113,800	113,800	113,800	B/E	98,800
Totals	409,900	566,500	414,000		309,000

*Note: Museum grants are split £76,500 Torquay Museum and £20,300 Brixham Museum.

Update the Equality Impact Assessment – What discussions have taken place with the museums?
What consultation is underway?

Discussions with the museums in relation to the budget proposals have been part of the overall future museums dialogue which will continue. The Future Museums Project seeks to establish a future sustainable model for all the museums in Torbay including Torre Abbey. Specific questionnaires for grant aided museum users have been developed in association with the Council's research team and the results will form part of the overall consultation.

What is the current position in relation to the Future Museum Project?	Draft proposals for sharing resources have now been produced for further consideration by the Executive Lead and the Mayor. These proposals are still in an early development stage and have not yet been adopted by any of the museum partners. Ongoing discussions with funders are also continuing.
What progress has been made towards Torquay and Brixham Museums becoming self sustaining?	The work undertaken as part of the future museums project is progressing this action.

Savings Proposals 2015/16: Equality Impact Assessment (EIA) – Museums - DRAFT

Officer Name:	Sue Cheriton	Position:	Executive Head
Business Unit:	Residents and Visitor Services	Directorate:	Place and resources
Date Started :	May 2014	Date of current version:	June 2014

The council and its partners are facing a significant challenge in the savings it needs to make over the next couple of years. This Equality Impact Assessment (EIA) has been developed as a tool to enable business units to fully consider the impact of their proposals on the community. As a council we need to ensure that we are able to deliver the savings that we need to make while mitigating against any negative or adverse impacts on particular groups across our communities.

This EIA will evidence that the Council have fully considered the impact of the proposed changes and has carried out appropriate consultation on those changes with the stakeholders. This EIA and the evidence provided within it will allow Councillors to make informed decisions as part of the decision-making process regarding the council's budget.

Page 64
 Executive Lead / Head Sign off *(when final version)*:

Executive Lead(s)	Executive Head:
Date:	Date:

Summary from Overall Savings Proposals:

Proposals – Outline	Savings for 2015/16		Implementation Cost Include brief outline + year incurred	Delivery When will this proposal realise income / savings	Risks / impact of proposals	Type of decision		
	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
Museums Grants Further reduction in Museum Grants		20	None	2015/16	<ul style="list-style-type: none"> • Potential risks • Impact on community • Knock on impact to other agencies • If statutory service please state relevant legislation section and Act together with any statutory guidance issued. <p>This would mean in 2015/16 museum would lose approx 42% of their budgets (a previously agreed £20k reduction was agreed at Council in February 2014).</p> <p>There is the potential risk that if savings cannot be achieved from the Future Museum Project savings may need to be identified elsewhere within this service. This could mean the museums could not continue to operate</p>			X

Section 1: Purpose of the proposal/strategy/decision

No	Question	Details
1.	Clearly set out the proposal and what is the intended outcome.	<p>This proposal seeks to reduce the grant currently paid to museums within Torbay by an additional £20k. It should be noted that a £20k reduction to the museum grant was previously agreed at the Council meeting in February 2014 – therefore, this will mean a total £40k reduction in grant – equivalent to a 43% grant reduction.</p> <p>The current value of the grants are :</p> <p>Torquay Museum : £76,500 Brixham Museum : £20,300</p> <p>Currently there is a Future Museums Project funded by the Arts Council which is in progress and is specifically looking at how the museums including Torre Abbey can join together to be more sustainable. It is suggested that the outcome of this project may allow the sharing of resources such as marketing, retail, catering, education, collections management and curatorial support. Each unit provides these separately and probably has more capacity than they need individually therefore by working together this may be of great benefit.</p> <p>If the Future Museums fails to deliver the savings which are identified this may result in a significant loss of service to the museums, or a complete closure.</p>
2.	Who is intended to benefit / who will be affected?	<p>The museums are likely to be affected by the reduction in grant and this may result in loss of service – through reduction in opening, or in the worst case scenario the museums being unable to function at all. Admissions have been down over the last year due to the good weather in the summer.</p> <p>Both museums are well supported locally with many volunteers, voluntary trustees and friends groups.</p>

No	Question	Details
		<p>The collections held by these museums are considered important locally and regionally and local people would want to ensure these are maintained appropriately.</p>

Section 2: Equalities, Consultation and Engagement

Torbay Council has a moral obligation as well as a duty under the Equality Act 2010 to eliminate discrimination, promote good relations and advance equality of opportunity between people who share a protected characteristic and people who do not.

The **Equalities, Consultation and Engagement** section ensures that, as a council, we take into account the Public Sector Equality Duty at an early stage and provide evidence to ensure that we fully consider the impact of our decisions/proposals on the Torbay community.

Evidence, Consultation and Engagement

No	Question	Details
3.	Have you considered the available evidence?	<p>Current usage figures for each museum for the latest full year is as follows:</p> <ul style="list-style-type: none"> • Number of visitors to Brixham Museum (2013/14) – 12,581 (on target) • Number of pupils visiting in groups – Brixham Museum (2013/14) – 562 • Number of visitors to Torquay Museum (2013/14) – 18,743 down from 25,857
4.	How will / have you* consulted on the proposal?	<p>Consultation with the Arts Council Museums Liaison Officer has taken place and it was agreed that any reduction would have to follow the Future Museums Project otherwise the funding by them for this would be compromised.</p> <p>The management and trustees of each museum will need to be consulted and the maximum amount of time will be required for them to plan for these reductions. This will be done face to face and in writing.</p>
5.	Outline the key findings	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: <i>Include feedback on your proposal including where you have consulted on any alternative options. Also include response rates, number of attendees to events / focus groups, outline of specific interest groups consulted. Use bullet points to summarise the key conclusions.</i></p>

No	Question	Details
6.	What amendments may be required as a result of the consultation?	<p>TO BE COMPLETED ONCE CONSULTATION UNDERTAKEN: Has feedback from the consultation and engagement process identified any changes required to the proposal? Have you had to alter your decision and look at alternative options?</p>

Positive and Negative Equality Impacts **TO BE UPDATED ONCE CONSULTATION UNDERTAKEN**

		Details		
No	Question	Positive Impact	Negative Impact	Neutral Impact
7.	Identify the potential positive and negative impacts on specific groups		<p>Young people may be affected as the museums are key to field education packages.</p> <p>Brixham Heritage Museum also provides regular work experience opportunities for schools and college students – there is a potential that this opportunity may be lost should the museum be no longer viable.</p> <p>Brixham Heritage Museum coordinates the Mini Museums Project, which also involves Torquay Museum and Torbay Childminders Group. There has been 3-year funding for this work. There is a potential that this opportunity may be lost should the museums be no longer viable.</p> <p>Brixham Heritage Museum has provided memory/nostalgia outreach sessions at local care homes, working with people with dementia, which has had positive lifestyle/health implications. There is a potential that this opportunity may be lost should the museum be no longer viable.</p>	
	Older or younger people			

Details	
No	Question
	<p>Many museum volunteers, including trustees with a wealth of professional experience and knowledge, are older people whose service to the community would be lost should the museums no longer be viable.</p>
	<p>Through Torbay Carers Discount Scheme (facilitated and administered by Torbay and Southern Devon Health and Care NHS Trust), carers belonging to Torbay Carers Register are offered free access to Brixham Heritage Museum and Torquay Museum to offer carers a break from their caring responsibilities. There is a potential that this opportunity may be lost should the museum be no longer viable.</p>
	<p>People with caring responsibilities</p>
	<p>People with a disability</p>
	<p>Women or men</p>
	<p>People who are black or from a minority ethnic background (BME)</p>
	<p>Religion or belief (including lack of belief)</p>
	<p>People who are lesbian, gay or bisexual</p>
	<p>People who are transgendered</p>
	<p>No differential impact</p>

No		Question		Details	
		People who are in a marriage or civil partnership			No differential impact
		Women who are pregnant / on maternity leave			No differential impact
		Socio-economic impacts (Including impact on child poverty issues and deprivation)		Many children are offered free access to education elements provided by these museums – There is a potential that this opportunity may be lost should the museum be no longer viable.	
		Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No differential impact
8a.	Page 72	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	There are no impacts on any other budget savings or Council service area		
8b.		Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	There are no impacts on any other budget savings or public service area		

Section 3: Mitigating action TO BE UPDATED ONCE CONSULTATION UNDERTAKEN

No	Action	Details
9.	Summarise any negative impacts and how these will be managed?	Outline each negative impacts identified relating to equalities in question 7 and how each impact will be managed / monitored so that they are reduced / eliminated or mitigated. What ways can the negative impact be minimised?

Section 4: Monitoring TO BE UPDATED ONCE CONSULTATION UNDERTAKEN

No	Action	Details
10.	Outline plans to monitor the actual impact of your proposals	The full impact of decisions will only be known once it is introduced. Identify arrangements for reviewing the actual impact of proposals once they have been implemented, including dates and methods.

Section 5: Recommended course of action – TO BE COMPLETED WHEN ALL SECTIONS COMPLETE AND EIA FINALISED

No	Action	Outcome	Tick ✓	Reasons/justification for recommended action
11.	State a recommended course of action Clearly identify an option and justify reasons for this decision. The following four outcomes are possible from an assessment (and more than one may apply to a single proposal). Please select from the 4 outcomes and justify the	<p>Outcome 1: No major change required - EIA has not identified any potential for adverse impact in relation to equalities and all opportunities to promote equality have been taken</p> <p>Outcome 2: Adjustments to remove barriers – Action to remove the barriers identified in relation to equalities have been taken or actions identified to better promote equality</p>		

	reasons for your decision	<p>Outcome 3: Continue with proposal - Despite having identified some <u>potential</u> for adverse impact / missed opportunities in relation to equalities or to promote equality. Full justification required, especially in relation to equalities, in line with the duty to have 'due regard'.</p> <p>Outcome 4: Stop and rethink – EIA has identified actual or potential unlawful discrimination in relation to equalities or adverse impact has been identified</p>		
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Written Submission for Scrutiny Committee from Brixham Heritage Museum, 2014

In the report commissioned by the Arts Council, Michael White, a professional Accountant, was asked to look at the possibility of a merger between Brixham Heritage Museum, Torquay Museum and Torre Abbey. In his report he did say that we were operating as leanly as possible and were the most financially sustainable of the three museums.

Both he and Jon Finch agreed however that we cannot be financially independent without the grant we presently receive.

Both reports suggest that money could be saved by greater co-operation in marketing and in our workforce. We have joined in the joint ticketing promotion with advertising through the Herald Express and in the Education programme. However, a greater exchange of volunteers is not acceptable as the Brixham people do not wish to undertake the time and expense of travelling into Torquay – it would be unwise to have to use money to reimburse them in the light of cost cutting measures!

It has also been mentioned that there could be one Curator shared between the three museums, but each museum needs a Curator with different specialisms, so this is not feasible. It is worth noting that the total wages paid at Brixham Museum amount to less than one normal museum officer's salary (see attached report summaries).

It has been said that we have no business plan, but Michael White, a professional accountant of Devon Square Partners Ltd., prepared one in March, 2013, and we are now working on a new one, but it is very difficult when we don't know what the future grant will be.

Making plans for an increase in admission charges and losing our paid secretarial help (4 x 3.5hrs/week), we feel that we could just manage a 20% reduction, but a 42% reduction would mean that we would have to dip into reserves.

THE FOLLOWING YEAR WE WOULD HAVE TO CLOSE, BECAUSE IT WOULD BE NECESSARY TO RETAIN OUR RESERVES TO PAY FOR PUTTING BRIXHAM'S HERITAGE INTO STORAGE.

See Reports

1) Brixham Museum Business Plan – March 2013
M. White, Devon Square Partners Limited

2) Torbay Museums Options Appraisal – October 2013
Jon Finch, Black Radley Limited

Attached are notes from these reports.

A Profile of Brixham Heritage Museum

“Brixham Heritage Museum offers good value to Torbay Council”

Financial stability and vulnerability:

Brixham Heritage Museum is the smallest of Torbay’s museums but in some ways it is the most sustainable, being very much volunteer led and the standard of management information and accounting undertaken by the treasurer is very good. The accounts demonstrate a modest-sized and tightly-run organisation. However its grant from Torbay Council does make it very vulnerable.

The council grant is modest when set against comparable museums [see for example, Godalming Museum – below]. Nervousness with regard to repeated threatened grant cuts has not been helpful in developing a more commercial culture and has tended to undermine confidence. **An added sense of recognition and understanding of the Museum’s work by Torbay Council by providing medium term surety of grant levels would be a fillip to confidence and therefore sustainability.**

The reviews show how exposed the Museum is to the vagaries of costs such as premises related expenditure. The building dates from 1902 and was originally Brixham’s Police Station. It covers three floors and while owned by Torbay Council, the Museum has a full repairing lease. In 2012/13 the repairs and refurbishment costs were estimated to be just under £3,000 equivalent to 15% of the Council’s grant.

Workforce profile:

As an operation the Museum relies heavily on volunteers with contracted staff consisting of a part-time curator, part-time administrator and two seasonal receptionists, all on very modest paid hours. **The total salary costs of the paid staff being on a par with the national average wage of one person.**

[Godalming Museum - Godalming’s local Council directly employs the curator and also subsidises the volunteer manager and contributes £66,000 a year to its operation costs. This offers an interesting comparison with Brixham.]

An Assessment of where the Museum now is:

In 2013 Brixham Heritage Museum was joint winner (with the Horniman Museum London) of the annual “Most Family Friendly Museum Awards”, a national completion sponsored by the Sunday Telegraph. This accolade underlines the Museums investment in education, its belief in creating a family experience and its common sense in pulling it all together as a deliverable product. Among the special educational offers, the Museum organises hands-on archaeological digs, Napoleonic boot camps and WW1 outdoor events for children, families and disadvantaged youngsters.

The Museum was recipient of the *Trip Advisor Certificate of Excellence* two years running (2013 and 2014). This honour reflects the Museum's commitment to providing a well-run and high profile visitor attraction in Torbay.

The Museum is the custodian of artefacts and archival materials available to researchers, including important collections associated with Brixham's maritime past, Brixham Seamen's Boys' Home, the Berry Head Napoleonic Forts and prehistoric finds from Brixham Caverns. Of **more** than local/regional significance are the military artefacts from the Forts and Middle Bronze Age pottery from Ash Hole Cavern.

The Museum organises Family History Research, answering enquiries from as far away as Australia and Canada. This has been a highly popular service providing the Museum with a regular income stream.

Possible Consequences of the Proposed 42% Cut in the 2015/16 Grant

- There will be a reduction in the number of existing paid staff (all of whom are already only part-time).
- Reduction in educational services including outreach activities.
- No further major improvements to existing displays or creation of brand new display with the consequence of a decrease in visitor appeal.
- Admission charges will have to rise and free admission currently available to Torbay Carers, Torbay Childminders and similar disadvantaged groups may be jeopardised.
- There will be a threat to the continuing preservation of the Museum's collections and archives.

If a further draconian cut is implemented beyond 2016 there is every likelihood that the Museum will close down completely.

Agenda Item 4b

Appendix 1

From: Basil Greenwood
Sent: 15 August 2014 17:36
To: Scrutiny
Subject: Priorities and Resources Committee review

Dear Sir/madam

Please find attached:

- Interim Summary project delivery - Aug 2014 v5. This references the remaining attached Annexes.
- Annex A - Options Appraisal Vs2 April 2013 – scrutiny
- Annex B - Torbay Museums Final Report 2013-10-29 v2 2
- Annex C - Reporting FM Project Q1 2014-15 v1mb
- Annex D DRAFT Savings TQM v3
- Annex 2 - FM Governance change Timeline 2014-15 v4 pdf form

Please will you take the above documents and the note below into consideration as part of the Priorities and Resources Committee review of the reduction proposed for Torquay and Brixham Museum Grants. Brixham Museum has already sent a commentary to you and the following text relates principally to Torquay Museum.

Torquay Museum is an independent registered charity that receives an annual grant from Torbay Council, which constitutes a significant percentage of its income, the rest of which it generates from visitor admissions and trading.

Although the Museum sympathises with the difficult financial choices that Torbay Council has to make in the coming years, their proposed cut to Torquay Museum's grant of 42% for 2015/16 will have a dramatic negative effect on the Museum. There is a real possibility that the Museum will be forced to close its doors after 140 years, which would be an enormous cultural loss to the English Riviera's residents and holidaymakers.

Despite seeing our visitor numbers increase by 35% over the past five years through a lot of hard work and innovation, Torquay Museum has struggled with the rising costs of caring for its internationally important collections in an ageing building that is very expensive to maintain, and a significant drop in other income. The Museum has already made deep cuts to staff costs and other overheads, but are walking a financial tightrope. These proposed cuts in Torbay Council's grant to Torquay Museum are likely to result in the Museum having to shed so many of its paid staff as to make the running of the Museum unviable.

Torquay Museum, Torre Abbey and Brixham Heritage Museum have received funding over the past two years from Arts Council England and the Heritage Lottery Fund to restructure themselves and share resources and management in order to reduce costs further. Whilst good progress has been made such significant restructuring takes time and the Museum is not yet in a position to substantially reduce costs any further. The Museum needs more time to complete this restructuring, and unfortunately Torbay Council's proposed substantial grant cut will kill Torquay Museum before we are able to put ourselves on a secure financial footing for the future.

Torquay Museum provides an invaluable learning resource for local schools, and a place of wonder and enjoyment for tens of thousands of local residents and holidaymakers every year. The Museum is the home to Northwest Europe's oldest human remains, thousands of artefacts from Kents Cavern (one of Britain's most important archaeological sites), Britain's only Agatha Christie gallery, an

enviable collection of ancient Egyptian artefacts, and a huge natural history collection. It would be very sad to lose such an asset after almost one-and-a-half centuries.

The recent questionnaire about the proposed cuts to the Museum grant has resulted in many hundreds of response from locals and visitors alike all of whom support the maintenance of the current grant. In addition notable academics and researchers engaged in studying the collections have all expressed their concern at the proposed cut in the Museum grant.

Should you require any further information please do not hesitate to contact me.

Kind regards

Basil Greenwood

Basil Greenwood
Project Manager
Future Museums Project
Torquay Museum, Torre Abbey & Brixham Heritage Museum working in partnership

Future Museums Project – Interim Summary Report August 2014

Introduction

The following report is a summary of activity and delivery of the Future Museums Project since October 2012. Since the start date the Project has evolved to cope with changes in pressures and directions agreed through the Future Museums Project Board including Arts Council England. Some of the key issues to highlight in the context of the summary are as follows:

1. The two reports on Options regarding governance at the Museums illustrated that changes needed to be made for a sustainable future to be possible. Regardless of changes in governance and indeed in methods of operation one thing has been made clear – given the investment from HLF and ACE into the Museums of Torbay a period of further sustainable grant aid from Torbay Council is needed to allow time for new structures, governance and working arrangements to pay dividends. Funding from the Council, at least at the current level, for two years from April 2015 would give sufficient time and support for transition and new operations to be fully implemented. Thereafter a gradually declining level of Council support might be appropriate.
2. The budget information (and staffing levels) set out in the Black Radley report has been overtaken by events. For example Torquay Museum's budget has changed radically with staff cuts and other cost savings that have been implemented. Revised budgetary information is currently being prepared.
3. Joint activity with other organisations (not accredited Museums) are actively being pursued to improve income streams – partnerships with commercial organisations are viewed as part of future delivery. For example a Joint Heritage Pass has been launched for the three Museums together with Kents Cavern, after a review in Autumn 2014 this may be expanded to include other heritage attractions. Joint education activity is also being delivered alongside Kents Cavern. Hotels are being contacted with a view to developing a strong joint offer to groups visiting Torbay.
4. The creation of the Kents Cavern Foundation is also significant. Close working and cooperation with Kents Cavern is being further explored.
5. The emerging Torbay Culture Board will clearly have an overarching influence on the future of the Torbay Museums as part of the total cultural offer of Torbay. Once the new Cultural Strategy has been adopted by Torbay Council (expected date 25 September 2014) we will have to see how this will benefit the museums.

Brief project overview

This project aims to lay the foundations for a new, more sustainable future for the Museums of Torbay. The three accredited museums of Torbay, Torre Abbey, Torquay Museum and Brixham Heritage Museum are a significant cultural, community and economic resource situated in the 2nd largest population centre in Devon.

The project intends to grow our value to our communities and economy, understand our audiences better and increase their range and spread by developing a range of exhibitions, events and education programmes. We will make significant changes to the way we operate to ensure that our

business planning and operational facilities are fit for the 21st Century. This project will play a major part in setting us on that ambitious change programme.

Outline of activity and delivery

Start-up

On behalf of the Future Museums Project, Torquay Museum Society received formal notification of the Renaissance Strategic Support grant (from Arts Council for England) on the 26 September 2012. With a presumed project start date of 1 October all the partners rallied round and moved quickly to facilitate the recruitment of the five members of project staff. The Project Manager post was interviewed for on the 18 October and the successful candidate - **Basil Greenwood** - formally began work on 23 October.

Interviews for the remaining four posts were quickly set up and took place over the next two weeks with the successful candidates beginning work with a full day induction on 12 November. The posts filled and successful candidates were as follows:

- a. Programme and Events Developer Officer – **Nathalie Palin**. Panel comprised Basil Greenwood, Alan Davies, Anna Gilroy.
- b. Geohub Education and Outreach Officer – **Leah Whitcher**. Panel comprised Basil Greenwood, Alan Davies, Mel Border. With input from Philip Armitage.
- c. Funding Officer – **Stuart McMillan**. Panel comprised Basil Greenwood, Alan Davies.
- d. Project Administrator – **Amie Schofield**. Panel comprised Basil Greenwood, Alan Davies.

Project Management

Upon starting, the project manager established a project schedule along with a breakdown of activities with proposed delegation amongst project staff. Meetings have been held with key partners including regular sessions with individuals from Torre Abbey and Brixham Museum.

A new Future Museums Project Board was constituted and met for the first time on 2 May 2013. Thereafter it has met monthly. Representation from the three Museums is as follows: Dave Butt, Alan Davies, Phil Collins, Richard Sale and Phil Armitage.

Governance and organisational resilience

1. The Future Museums project has sought to ensure the museums move towards a more sustainable future, in part by identifying and assessing more effective future business models for museum delivery.
2. An initial options appraisal was carried out by Devon Square Partners Limited during the early part of 2013. The report (**Annex A**) found that the current method of operation was not ideal. This initial work envisaged that a new higher level body would be created that would be the commercial equivalent of a holding company. It would represent and galvanise the business part of Torbay Museums, freeing up Torquay Museum Society and Torbay Council from main line commercial considerations. It was proposed that while Brixham Heritage Museum is part of the 'consortium club', it maintains its own legal standing and current arrangements.
3. The museums then appointed Black Radley Culture (BRC) to carry out further work on the options appraisal for the future governance of the three museums. In particular the museums wanted this work to drill down into the detail of what a new trust would look like and the delivery and financial benefits this brings.

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4. One of the key drivers explored by the report was the desire to reduce the Torbay Council subsidy from £261k to a potential £100k. The report concludes (see Executive Summary and full report – **Annex B**) the following:
 - a. It is highly unlikely that any form of sharing, cooperation or merger between the 3 museums can close such a potential subsidy gap.
 - b. It is possible that a change in the museums' governance model could result in an increase in commercial revenue (e.g. trading). This "enterprise dividend" is associated with increased management freedoms. Even if such changes were made, they are unlikely to deliver sufficient net margin to close the gap.
 - c. Given the circumstances, it is hard to see a sustainable model for the three museums without closures and/or substantial reductions in activity.
 - d. The development of a new trust, incorporating the existing three museums, incorporating two of them, or incorporating some of what they do, could be counter-productive. Substantial management time is typically required to create stakeholder alignment. This management time would be better spent on improving the individual museums' commercial offer, and on capturing the resultant revenues, rather than dealing with the politics of complex change.
5. The final phase of Arts Council funding (2014-15) is actively supporting a change programme. Key strands are set out in the 2014-15 plan as follows: Governance and transition, marketing, education, collections management, forward planning and grants. The Project is pursuing closer operational working in these areas to deliver efficiencies and better delivery with the intention of improving the offer and exploiting the 'enterprise dividend'. A budget is available to support this with a major focus on joint marketing, exploring the legal issues around any merger and finding solutions. **Annex C** sets out the programme and reports on 2014/15 Quarter 1 progress.
6. Torquay Museum is now signed up to a transition programme through its HLF funded programme. This will enable the separation of Torquay Museum Society from the day to day management of the museum (once the Society's concerns are met). Business and legal specialists will be employed to examine and clarify the legal issues associated with the preferred option for governance of the museums in the future and the separation of Torquay Museum from the Torquay Museum Society, these include:

- The establishment of a new legal entity to house the activities of Torquay Museum (and potentially Torre Abbey).
- The amendment of the existing or establishment of a new legal entity to house the activities of the Torbay Museum Society following separation.

Work required:

- Preliminary legal support to Torquay Museum Society (the Charity) working alongside other consultants during the process of formulating detailed proposals for a revised governance structure, eg attending project group meetings, providing initial legal comments on proposals, commenting on any initial communications/consultation with wider membership and Future Museum partners.
- Preliminary legal input to support more detailed discussions with the trustees, representatives of the wider membership and the Future Museums Partnership in determining the restructure proposals.
- Consultation with and explanation of the proposals to the wider membership of the existing Charity.

For the implementation phase the consultant will provide appropriate legal advice to support the implementation of the agreed new governance structures:

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- developing the articles of association for the new Charity potentially following a 'Foundation' model that reflect the proposed revised governance structures; discussing and agreeing these with the Trustees, partners etc.
- developing a new entity (perhaps a Charitable Incorporated Organisation (CIO) if needing to have charity status) to run the non-museum activities of the current Torquay Museum Society.
- applying for and obtaining any required Charity Commission consents for a new charity(ies) or the amended articles of the existing charity.
- preparing board and member resolutions/EGM notices etc in relation to the proposed changes, the adoption of revised articles of association and attending to filings at Companies House and Charity Commission.
- dealing with the transfer of any assets and liabilities specifically relating to the 'Society' aspect of the existing charity which are required to transfer to any new entity as part of the separation, including drafting a short form asset transfer agreement.

As part of this transition programme for Torquay Museum it would seem appropriate to actively use the process to examine related issues around bringing Torre Abbey into any new Trust that will be formed. Such a process can then be supported by monies set aside in the Future Museums budget to run alongside the HLF Transition monies. The Future Museums Project Manager can also actively support the process.

7. **Business Plans** have been developed for both Torquay Museum and Brixham Heritage Museum in 2013.
8. **Finance systems** have been reviewed at Torquay Museum and recommendations have been implemented through a Finance Manager and the Project Administrator. This has involved the purchase and adoption of Sage accounts package and the implementation of new financial systems.
9. **Cost savings** have been implemented at Torquay Museum which have resulted in approximately £30k of savings (**Annex D**). This must be seen in the context of an annual deficit budget which has been of the order of £90k. Further savings have been implemented through a staff restructuring but there is still a shortfall in funding which is being pursued through the TQM HLF Transition Project. There is also the proposed cut in the Torbay Council grant of 42% to factor in.

Fund raising development

1. After a period of consultation with various staff members, including workshops, the Funding Officer drafted a fundraising strategy for Torbay Museums in 2013. The strategy gives both a collective and individual strategic overview on corporate hire, business membership and general fundraising, on line fundraising, fundraising campaigns, fundraising steering groups, legacies, gift aid, grants (covering the 3 main types of grants), sponsorship, influential targets and special events. The strategic view provided by this fundraising strategy is part of developing a coherent and effective collective approach to benefit all three museums.
2. Marketing materials have been developed that include a corporate hire booklet, folder for fundraising, posters for on line giving (JustGiving), online development with social media sites.
3. A data base of companies has been developed for fundraising purposes which is available to all 3 museums. It has been designed to work with mail merge and allow easy targeting of companies. Draft fundraising letters have been developed for all three museums with attachments for general or specific fundraising. The data base allows for easy monitoring and ring-fencing to ensure that companies do not receive multiple approaches from the museums.

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4. A number of Applications have been drawn up and submitted to the Ellerman Foundation, Olfson Trust, Charles Hayward, JP Getty, Idlewild Trust, Liche Trust, HappyMuseums. Many of these have not been successful but a number of small grants have been received including a £24k from Happy Museums for Torquay Museum.

Front of House IT and Systems

1. A Review has been undertaken of front of house data gathering IT and till systems as a result of which Merac were contracted to provide new front of house and shop till system. New systems allow analysis of admissions data, gift aid, financial and data reporting. Systems were successfully installed in December 2012 with training carrying on into January 2013. Postcode lookup software has been added to the package to facilitate gift-aid.
2. These new tills were installed at both TQM and Torre Abbey.
3. Gift aid is now being accurately and easily recorded at TQM resulting in higher amounts of gift aid being obtained and easier data submission to HMRC. An electronic diary is being utilised for room bookings, etc. that is easily accessed and maintained. The Till system enables faster and easier 'one entry, one touch' diary-event- invoice procedure. Shop and café stock has been entered onto Merac till system for easy and accurate stock tracking and reports. Bar code scanners have been installed for easier and quicker transactions. The Merac Back Office software now enable's various reports and data to be created from report menu for financial, stock checking and marketing purposes. The benefits of Torre Abbey joining the new foundation trust would include the ability to retrieve gift aid on all tickets sold. The local authority is currently unable to do this.

Environmental sustainability appraisal and works

1. An on-site appraisal has been carried out at TQM by EoN. This involved experts in the field of energy saving lighting systems, heating systems and solar panels. A solar PV assessment and costing has been provided and funding options are being actively explored by TQM. Advice on energy saving lighting has been utilised to source new lighting at TQM. The intent is to find funding to install solar panels at TQM, upgrade lighting to new energy efficient types when possible and to further investigate heating systems to provide a more energy efficient type.
2. At Brixham Museum the installation of better, energy efficient lighting in Mayflower, and Lifeboat displays and in the research rooms has taken place. Also some old, inefficient night storage heaters have been replaced and a new water heater has been purchased and installed. The Maritime gallery is also having energy efficient lighting and insulation installed to improve energy usage.
3. In Torquay Museum Devon Farmhouse gallery, new energy efficient, dimable, sensor activated lighting has been installed.

Programme and audience development

1. A new 'Monster Saturdays' initiative at Torquay Museum has been launched and marketed (online and print) to engage local families and children in the museum and its collections, through creative and science-based activities. The first event took place on 16th March 2013, the number of museum visitors that day was a 20-fold increase on the previous Saturday and almost all of the families were local to the area, and almost all had never visited the museum before. Following the strong track record of Brixham Heritage Museum in families work, Torquay Museum has also now joined Kids in Museums.
2. The Entry Fee structure at Torquay Museum has been simplified and changed in order to engage with local families and harder to reach groups. The combination of pay once re-enter all year is designed to engage with local population currently not using the museum. Also we

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have added a 'small families' price to demonstrate more flexible understanding of families needs.

3. The Programme Developer has been working with all three museums to identify targeted harder to reach groups that each museum will focus on in order to widen their audiences and increase access. These programmes will take into account staff skills, collections relevance and museum profile. For Torquay Museum there is a strong interest in working with disadvantaged young people, and supporting the communities 'wellbeing' agenda through Happy Museum initiatives, sociable activities for older people to tackle isolation, and families work. Brixham Heritage Museum already has a strong track record with primary schools, and their new programmes are likely to extend into secondary schools, and on working with Trinity Youth Trust to use the museum's maritime links to help develop young people's skills. They are also keen to develop a more dynamic events programme linking to Brixham community's public festivals programme. Torre Abbey is keen to look at extending informal education activities and developing their capacity to host community and public festivals and events. This year Torre Abbey will be the hub location for all the literary events for the new International Agatha Christie Festival.
4. In discussion with staff at each of the three museums, the Programmes Developer has drafted Needs Assessments, and based on these, she has been developing museum programmes addressing exhibitions, events, education and outreach activities (in partnership with Geohub Education Officer). Torquay Museum now has an agreed programme of exhibitions for three years, with programming for: young people; adults; community outreach and wellbeing; families; and schools. Staff are continuing to add to this programme to develop it further. In parallel with this programme, the museum is continuing to work towards its Collections Designation. Torre Abbey's development has limited its exhibition facilities, but they have a draft programme of exhibitions for their 'Spanish Barn'. The broader programme for Torre Abbey is still in development due to the delays brought about by their extensive redevelopment. Their programme for the future will be built around audience development and special events, enhanced by key visiting exhibitions developed by the Arts Development Team.
5. The programme for Brixham Heritage Museum is also still in development. BHM are focusing on their 'Maritime Galleries' as a permanent improved gallery. They do not have the space in the museum for new large scale exhibitions. Their programme will focus on audience development and events (as discussed in section above) as well as changing and improving existing exhibitions on a gradual basis. Some capacity exists to put on small new exhibitions such as the recently produced WW1 exhibition to coincide with the commemorations in 2014.

Education consultation

1. The Education Consultant report has been completed with clear recommendations to enhance school/museum science based learning. This has fed into sessions delivered to schools during phase 2. A teacher focus group has been created to feedback as new curriculum subjects are 'bedded-in' to lesson planning. Teachers have input on planned Geohub sessions to ensure that we are offering them something that enhances the classroom based learning.

Other educational

1. Primary school Geopark education sessions have been written and are being marketed to schools and delivered. Information also available on website to download.
2. Revised TQM school visit pricing policy to bring it into line with Torre Abbey. Reviewed against other delivery organisations including TCCT and Kents Cavern.

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3. Set up 'pool' of paid education deliverers to deliver sessions at TQM which is a self-supporting system. The fees charged to the schools covers the cost of buying in the educator with some money remaining to support core costs.
4. At Torre Abbey Leah has been working with Elizabeth Newberry and Ali Marshall on education planning for garden activities. Collaborated with Head Gardener and Consultant, on garden activity back packs – now operational. Working with Head Gardener on Children & Families activities programme e.g. Autumn and Christmas activities. Collaborated with Head Gardener, Consultant and Abbey Ed Officer, on first stage of Primary Education Programme - (3 Abbey-Garden linked sessions).
5. Undertaken consultations with teachers (mainstream and academies, plus South West Science Leaders Network Meeting), on current state of play within education, attitudes/opinions around current and anticipated future changes and likelihood of schools taking up the current sessions.
6. Joint education sessions set up between Kents Cavern and TQM and being delivered effectively.
7. Secondary schools - After consultation it is clear that there is less scope for an extensive Education Programme due to the nature of secondary education. Schools approach is offsite visits in first year of secondary and post GCSE (A'level). In consultation with a secondary geography teacher and Ed Consultant. Leah drafting a full day's activity programme that is most likely to entice this sector out of the school grounds.
8. Shop Window Displays -Despite huge effort this has been impossible, up to date, to deliver due to owners of premises refusing to allow us to use them – despite TQM being a charity. Leah now organising getting the material into the local libraries and the Town Hall. Also following a contact who it is hoped will be able to offer advice about getting into shops.

Accreditation/Forward Plans

1. Torre Abbey - Accreditation Review submission to Arts Council: including application, Forward Plan, Access & Learning Policy, Collections Development Policy, supporting staff to develop Collections Development Framework documents and collate Fire & Security Plans, policy documents, staff development evidence and evidence of good practice. Torre Abbey has successfully been re-accredited.
2. TQM – in process of supporting development of Forward Plan and related documents.
3. Brixham - in process of supporting development of Forward Plan and related documents.

Web-portal

1. In taking the unified web portal forward, the museums identified the opportunity to not only address the unification of the museums for online visitors, but could also re-design the museums' own websites to better engage with broader online audiences. As a result, the remit and value of the web tender was increased (with greater financial contributions made from partner museums). The contract for this was awarded to Website Vision Ltd. on 15/02/13.
2. A Torbay Museums web portal has been up and running since July 2013. It is now the vehicle also being used to access the Torbay Heritage Pass and sign up to the joint e-newsletter.

Basil Greenwood
Future Museums Project Manager
August 2014

Torbay Museums

Options Appraisal

For Future Governance

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Executive Summary

“Museums are sustainable, resilient and innovative” according to Arts Council England’s Goal 3 (of 5) for museums. That task sits at the core of this options appraisal.

The appraisal is part of the “Future Museums Project”, which looks towards a more sustainable and vibrant future for museums in Torbay. It recognises Torbay’s unique heritage and natural history and looks to build on this, maximising these strengths and opening up new opportunities. It seeks to lead the way by creating a co-operative and collaborative ethos between the three Torbay museums along with the other Torbay organisations connected with them.

The options appraisal represents an opportunity to re-engineer the museum structure within Torbay, starting with a focus on the three accredited museums but with the aim of extending this to the wider cultural, arts and heritage constituent parts of Torbay. A recurring theme in this report is to be quietly bold, building shared services, functions and activities incrementally. Start modestly, but with big ambitions. Achieve and deliver so that the track record draws others in.

To be effective this report needs to be seen as the start of a recovery process, it is certainly not the end product, indeed it cannot be so without consulting funders and stakeholders. Rather it suggests a vision and provides some stepping stones as follows:

The current position

In considering the current position and the commerciality of the three museums it is paramount that the need for change is accepted. Sicilian poet Guiseppe Tomasi gets it right when he says “If we want things to stay as they are then something will have to change”. So the three organisations and their members must avoid being in denial and reflect that this year might actually be better than next, and act rather than assume that despite all, it will come out fine in the end.

There is a need to seize the opportunity with funders, especially Arts Council England and to recognise that funders will be more disposed to help those that seek to help themselves. That means mobilising resources, creating a task group to champion change, to explain, lobby and promote the business case and the need for a capable body in Torbay

Exploring partnerships, collaborations and consortia

The rationale of this project sees the three museums (and those organisations that might join them) as a string of pearls and not a random collection of shiny objects. This is the essence of synergy, where the whole is greater than the sum of its parts. The case for partnership and consortium working is set out in some detail in the report along with several comparisons that offer both lessons and benchmarks. The advantages of working together to save costs and exploit new and existing opportunities feature strongly in the “Big Society” agenda with the same principle of collaboration are promoted equally strongly by the Charity Commission and other agencies. The cause of complementing rather than competing is seen by many to be at the heart of sustainability.

However as well as making the partnership case it is essential to test out the nature of consortium working for Torbay's museums and identify:

- The potential value of cost savings
- Those services that would work best if delivered on a consortium basis (likely around marketing, education and outreach and similar) establishing how these might be developed on an incremental basis
- A couple of "quick wins" to create momentum and a feeling of success, something like the "Passport" idea for marketing to multi-venues
- New areas of activity that work the best and most effectively
- Determine the best Torbay organisational structure to be the delivery vehicle

This process takes Torbay with its rich archaeological and natural history and likens it to a campus with a number of faculties. While each of those faculties is autonomous they all belong to the same campus.

Creating a consortium

In assessing the current situation, the shape of current organisations and their commercial robustness, the report looks at several models that could capitalise on the partnership and consortium ethos and deliver Torbay a capable museum organisation to do the business.

It is envisaged that a new higher level body would be created that would be the commercial equivalent of a holding company. This would be more than a funders header tank, it would represent and galvanise the business part of Torbay museums, leaving the Torquay Museum Society and Friends of Torre Abbey to maintain the community dimension and be freed up from main line commercial considerations. It is proposed that while Brixham Heritage Museum is part of the "consortium club", they maintain their own legal standing and current arrangements.

The report considers all of the structural options for the consortium, some eight different variants, coming down in favour of a charitable trust but also suggesting that in the next stages a community benefit society is also considered.

The change agenda

The biggest brake on change identified was not surprisingly that of the fear of culture change. In terms of organisational change international business guru Peter Drucker commented that "Culture eats change for breakfast". What Drucker meant by that was that no matter how logical and strategic the case for change was, if there was a gut feeling from the established decision makers that was change averse then that view would win out. Consequently in that environment leaders need to be prepared to set the pace and actively persuade and be prepared to impose change for the common good. The actions can therefore be summarised as:

- Create a plan of campaign, consultation and involvement to overcome cultural reticence and achieve a level of engagement and ownership
- Visualise the “capable body” and its powers and scope
- List out the necessary board skills that will be needed along with dream team to deliver, and then work out how to approach and win over the right people
- Decide who is going to be the executive lead on the process and which of the prospective board members might be chair and champion
- Use an informal due diligence process as a road map to plot the way forward
- Prepare the financial projections that will be part of the consortiums business plan

Conclusions and next steps

The three museums are the starting point but it is true sustainability that will represent the sticking point.

This report can only set out the options but the desire to engage and really move forward is strong. Discussions with Torbay Council have been both encouraging and supportive, with a desire to support the plans set out in this document and to give them time. Early board soundings at Torquay Museum suggest a positive and pragmatic sentiment and likewise Brixham Heritage Museum are receptive.

Arts Council England were also aware of the situation, appreciating the frailty of the current set-up and being supportive of potential substantial investment in re-engineering the Torbay museum sector on the proviso that the players were genuinely prepared to “walk the talk”.

The next steps are set out in section 5 of this report.

1 Introduction

1.1 Background

In October 2012 Torre Abbey, Torquay and Brixham Heritage Museums were successful in gaining a Renaissance Strategic Funds grant from the Arts Council for England. This became the Future Museums Project.

A key part of the Future Museums Project was to carry out an options appraisal for future governance models with the aim of providing a more sustainable future for the museums in Torbay. The appraisal included Torquay Museum, Torre Abbey and Brixham Heritage Museum.

The fundamental rationale of the project is to ensure that the three museums move towards a more sustainable future, in part, by identifying and assessing more effective future business models for museum delivery.

Other objectives include: enhancing the capacity of the museums to raise funds, developing innovative programmes of events and exhibitions to attract new audiences, developing outreach activities focussed on the English Riviera Geopark.

It was also decided to include the proposed National Museum of Prehistory at Kent's Cavern along with additional models incorporating other Torbay organisations. This forms part of the overall options review appraising all aspects likely to provide a secure future for the three museums.

1.2 Context

The museums of Torbay are a significant cultural, community and economic resource situated in the 2nd largest population centre in Devon. Torbay has 134,000 residents compared to Plymouth's 258,700 and Exeter's 119,600

Torbay falls within the top 20% most deprived local authority areas in England for the rank of average score and the rank of local concentration. 21,000 (15%) of residents live in areas considered in the top 10% most deprived in England. Deprivation in the area is continuing to worsen. On the index of multiple deprivations Torbay has a high score of 26.8 compared to 16.89 in SW and 19.5 for England as whole with 23.4% of under 16s living in low income households (Torbay).

There are 9,420 pupils on-roll at Primary and 8,716 at Secondary level within the Torbay local authority. The last reported average % of pupils eligible for Free School Meals in Torbay is 19.8%, this compares to 11.1% for the SW and 15.4% for England.

Income from the local community is therefore likely to be low, so the museums need to attract money from outside of the region. Tourism is a major economic driver in the English Riviera. Its visitor economy attracted in 2009 (the most recent official statistics) in excess of one million staying visitors and two and a half million day visitors. Torbay remains Devon's major resort. Its museums have the opportunity of becoming a key player in the culturally led economic regeneration of the Bay.

1.3 History

There are three accredited museums within Torbay:

Torre Abbey was founded in 1196 and is Torquay's most historic building. As well as its abbey ruins it houses a nationally important collection of paintings and antiques. Torre Abbey is owned and run by Torbay Council.

Torquay Museum is Devon's oldest museum, created in 1845 and is still owned and managed by its parent Society. It is a registered charity.

The museum houses international important geological, archaeological and ethnographic collections. A variety of temporary exhibitions and a programme of events are delivered throughout the year.

Brixham Heritage Museum was founded by Brixham Museum & History Society in 1958. It tells the story of the Riviera's oldest town, from the Stone Age through to the present day, using a strong nautical flavour. Particular emphasis is given to Brixham's fishing and ship building industries, also to the Berry Head Napoleonic Fort and Brixham's prehistoric 'Bone' Caverns.

1.4 The Nature of the Three Organisations

Torquay Museum

- Although long established the recent history of recurrent substantial losses suggests an unsustainable model as currently configured
- The board of trustees is drawn exclusively from the Society's membership with a focus towards the activities of the Society rather than the business of the Museum.
- An organisation seeking to do too many things and please too many people without the necessary resources

Torre Abbey

- A significant heritage asset for Torbay but "people don't know what it is"
- Financial uncertainty combined with some parties that suggests it does not need any form of public support and subsidy

- Concern that because of financial pressure Torbay Council will need to put Torre Abbey out to commercial tender

Brixham Heritage Museum

- Volunteer driven
- Smaller in size than its counterparts
- Tightly run by a focused and engaged group with a strong sense of ownership
- It suggests the maxim: “if it ain’t bust don’t mend it”

While not part of the group of three accredited museums, Kent’s Cavern is still part of the Torbay museum campus. An Ancient Monument and Site of Special Scientific Interest Kent’s Cavern is a sustainable commercial undertaking. Plans are in the early stages to create a research and educational charitable trust under the guise of a National Centre for Stone Age Man.

In terms of this assignment the concept of a National Centre for Stone Age Man is a relevant future element of the museum structure in Torbay. The overwhelming findings of this report see the National Centre for Stone Age Man as complementary resources for Torbay rather than a competitor to the existing museums.

1.5 Options Envisaged

Several options were envisaged in the brief and these can be summarised as:

Charitable Trust: Torquay Museum and Brixham Heritage Museum are charities and Torre Abbey is Council owned. The possibility of establishing a single charitable trust to take on all or part of the roles of the existing organisations needs to be explored. This could bring many benefits but some of these benefits may be achievable through agreement rather than establishing a common trust as an all-encompassing solution. There may be more than one permutation of the Charitable Trust model.

Kent’s Cavern is privately owned and run with the possibility that the proposed National Centre for Stone Age Man may follow a different model from commercial ownership, potentially a charitable trust structure.

The hybrid potential: The potential/likelihood of a National Centre for Stone Age Man is outside the scope of this work, however there is a desire to maximise any opportunity that might arise. Consequently an initial assessment should be made with regard to the hybrid potential (private/public/charitable sector) that a Kent’s Cavern, Torquay Museum, Brixham Heritage Museum, Torre Abbey combination might bring.

The brief stated that particular regard should be made of how these and other participating organisations might constitute a viable social enterprise.

Service and staff sharing: Sharing common back office functions may be possible as well as staff operating across all the sites. Regard also need to be had as to the impact of VAT and the ways of mitigating any adverse impact.

Partnership working: Can involve sharing intelligence and marketing ideas, joint ticketing, developing and delivering a coherent programme of events, activities and exhibitions.

Value Added: In the appraisal of options a reasoned economic case should be made with regard to the financial advantages and their long-term sustainability. This applies to both cost saving and new areas of income generation.

2 The Current Position and Issues Arising

2.1 Current Commerciality

The Future Museums Project recognises the frailty of the existing Torbay museums set-up.

In several respects therefore this options appraisal is the opening phase of a recovery plan and need to be regarded as such.

The external environment, funding, habits and priorities are changing at such a pace that even if any of the three museum organisations wished to remain unchanged they would be compelled to change in response to external forces simply to stay as they are. The do nothing option is therefore not an option, but an abdication to let others decide.

Commercially none of the organisations are strong, however because of its modest size and volunteer base Brixham could be said to be the most sustainable (although very vulnerable to any cuts in their Council grant). However the rationale of the Future Museums Project is not one of survival but viability and vibrancy. It perceives of the chance to re-engineer the Torbay museum sector and all that follows is based upon this premise.

2.2 The Impact on Funding: Current Situation

An options appraisal such as this document constitutes a certain moment in time from a funder's perspective. The opportunity to talk and exercise real funding strategy, to broker deals and talk matching and leverage and make money work harder should not be underestimated. Funders expect recipient organisations to show their ability to act decisively and tackle issues that will ultimately lead to their long-term sustainability. Robust self-help, integrity and the avoidance of denial are key. Grants for persistently failing organisations frequently do little more than prolong the agony.

The options appraisal is about re-engineering the museum sector in Torbay and funders support is likely to be there if those involved wholeheartedly set about that task and avoid the temptation of merely tinkering around the edges.

2.3 The Impact on Funding of a Consortium-led Approach

While the impact of a consortium led approach will require a business planning exercise to fully evaluate the coming together of the three accredited museums (see Section 5 "What next"), there are obvious potential savings.

The same principles apply to opportunities and adding value. Many aspects are set out in section 3 of this report both around the expansion of existing services and activities, but also the creation of new ones. The likelihood is that a consortium approach of complementing has the power to be significant.

2.4 Alternative Legal Structures

In assessing the structural options and consortium potentials it is necessary to consider the many different forms that can be adopted for cultural/educational and social enterprises including any of the following:

- **A Company Limited by Guarantee (CLG):** registered as a charity; largely protects trustees from personal liability
- **Charitable Incorporated Organisation (CIO):** ditto, but a very new vehicle so not tried and tested; unattractive to lenders as there is no register of charges
- **Unincorporated charity under a trust deed or constitution (Friends):** not a legal entity so cannot contract in its own name; no protection for trustees
- **Industrial & Provident Society (IPS):** legal entity, registered with the Financial Services Authority; members hold nominal shares; model rules inflexible; can be (exempt) charity. Popular with community run village shops/pubs etc because of 'local' share issue
- **Subsidiary company:** usually wholly owned by charity; either ring-fences a risky activity or carries out non-charitable trading - profits gift aided to charity to save tax

- **Community Interest Company (CIC):** social enterprise for common good, but allows a limited return to investors; asset lock ensures no other benefit to shareholders or investors; company, but not a charity; can be charity's subsidiary; less restricted than charity; suitable for founder, who can be paid board member
- **Trust/holding company:** can be trustee of more than one charity (so an umbrella)
- **Consortium:** can be a loose collaboration by charities, or a more formal contractual arrangement, or a separate legal entity (e.g. CLG) in which various bodies participate

The likelihood is that Torbay Museums Trust will be a charity but also badged as a social enterprise. As such it will either be a Company Limited by Guarantee that registers as a charity or takes the new route of becoming a Charitable Incorporated Organisation.

However the other option would be an Industrial Provident Association (IPA). Although somewhat 'clunky' this could offer the facility of a local share issue that might galvanise local support in a financially effective way.

The Trust would look to meet the requirements of HMRC guidelines of July 2012 with regard to exemption of VAT regarding shared services between linked organisations in the charity sector. Section 4.4 examines these provisions in more detail along with the possibility of using the HMRC guidelines of an ideal group as a template.

2.5 The Legal Options for Coming Together

These can be summarised as follows:

Collaboration:

A loose arrangement where charities work together in certain areas (e.g. by bulk purchasing or by sharing staff or facilities such as IT). In this way, each would retain its own legal structure and governing document.

Consortium (or Federation):

Where each body retains its identity and independence but agrees by contract to cooperate towards their respective objectives in a more formal way than mere collaboration; this can be achieved by setting up either:

- a special purpose vehicle (a company, to ring-fence its activities from their own) to which each party contributes
- a less formal (but arguably more risky) joint venture style of agreement

Merger:

Creation of one entity to carry out the charities' purposes, by either:

- Setting up a new charity into which all participants transfer their assets, liabilities, contracts and undertaking (including staff).
- Transferring the smaller charities' activities etc to the largest, assuming that its constitution is robust enough.
- Setting up a group structure

2.6 The Capable Organisation

In business terms any form of consortium or joint working plan would look to a capable organisation as the leader and champion of the project. The strong party to make things happen and be the natural rallying point.

The capable body not only requires a good management team but a strong and robust board with experience and insight to make it work. Without this, plans remain nothing but good intentions.

Currently such a capable organisation does not exist and the 'whole' (the three museums) amount to less than the sum of its parts, indeed this is recognised as a crucial part of the assignment along with the need to set out measures to change.

2.7 Finding the Capable Organisation

An initial appraisal would suggest that the obvious candidate for "capable organisation" is Torquay Museum; however there are currently significant drawbacks which would suggest the constitution of a new capable body. These issues are succinctly have been explained by Richard Smith (Director of the Tank Museum), who has been working with The Museum's director Phil Collins on behalf of a Museums Association mentoring programme to improve Torquay Museum's governance and organisation. This mentoring has produced some extremely insightful comments which have a direct impact on the concept of a "capable organisation".

A copy of Richard Smith's letter is in Appendix 1 to this report, however while complimenting the Museum Society on running the Museum extremely effectively as a society he thought it questionable as to whether it was equipped to provide governance of a 21st Century Museum.

In terms of the business model Richard talked of a successful museum operating as a successful tourist attraction, enabling it to generate the funds to carry out its core charitable activities in a sustainable way. As a consequence he pointed out that effective governance involved directing strategy at all levels to ensure the achievement of the organisation reflects the strategic intention. It should not be about a hands-on involvement in operational detail.

Richard went on to state that when he joined the Tank Museum his predecessor had just completed a long-term review of governance structures. This saw the board move from one comprising of entirely of soldiers, most of whom were ex-officio posts to a board appointed on a skills basis. The old trustee structure had led to a one-dimensional board without museum or business skills and with a rapid turnover. This led finally to Richard's main proposal which in essence is all about creating the "capable organisation". Richard recommended that the Museum examine the merits of de-merging the Society and the Museum, setting the Museum up as a separate charity with its own board. This is a theme that has been endorsed and built upon in this report.

2.8 Recommendations

- Accept an overall need for change, avoid being in denial and thinking that next year will be better
- Seize the opportunity with funders, especially Arts Council England recognising that funders will be more disposed to help those that seek to help themselves
- Create a task group to explain, lobby and promote the way forward
- Use this group to test out the routes: a charitable trust or form of community benefit society (Industrial and Provident Association)

3 Principles of Partnerships, Collaborations and Consortia

3.1 Synergy and Adding Value

Synergy is about doing and achieving things that one organisation could not do alone but could achieve by working with others. Such advantages of size and scale are separate from pure cost savings, but the two can run together. A typical example could be a fund raiser whose employment costs are shared by several organisations. As well as the obvious cost savings, the fund raiser would be in a position to draw the skills of the several organisations together in a complementary way so that outcome really does become greater than the sum of its parts.

3.2 Sharing Costs

The potential impact of cost sharing is examined below in 4.6 "Critical mass and economies of scale"; however the basic philosophy is around making organisations work smarter not harder, for example having one accounts department serving several different masters rather than everyone having their own. This maximises time but also accounts software, levels of expertise and provides a more fertile environment for employee training and development as well as ensuring greater levels of continuity and security.

3.3 Areas of Advantage

The areas where sharing of costs and services could have a strategic and financial benefit are seen to be as follows:

- Programming, where there is a continuing need to refresh the visitor experience
- Education and out reach
- Curatorial, there is a shortage of expertise within Torbay and there is the potential to utilise existing talents (the current Director/Curator of Brixham Heritage Museum could be an obvious example) and to sell this to other members of the consortium (Torre Abbey) and other interested parties (Kent's Cavern/National Museum of Prehistory)
- Retail: Shop running and combined purchasing. Advantages of scale around volume and discounts, sourcing and retail expertise
- Fund raising: as previously commented, not just a shared fund raiser but as above the synergy, critical mass and cross selling of having organisations working in concert
- Marketing
- Customer service: a common point of entry
- Back office/support services such accounts/book-keeping, personnel, payroll and similar

The aim is to start with a simple concept of sharing obvious services and building these up incrementally, avoiding fanfares and building a reputation for effective and economic delivery.

3.4 Good Practice Comparisons

In November 2012 the Association of Independent Museums published a research paper entitled "Museum Models of Sustainability" detailing 13 case studies covering various aspects of sustainability. While many of the case studies are relevant two have particular resonance:

Partnership and consortia: Marches Network (Working across the West Midlands)

The Marches Network were a long standing informal partnership of museums covering five counties and one city. The Network started as a two county initiative and grew incrementally based on success.

The Marches Network developed a form of joint delivery including special curatorial services and joint networking to other sectors, social care and the work sector being specifically mentioned. 2010 saw more formal structures and a memorandum of understanding (akin to a consortium partnership agreement) and as part of it development plan the group are looking at the best way to formalise the arrangement by creating an organisation with its own legal status to bid for funding from a wide range of agencies.

The benefits have been around the sharing of support services, quality improvement and support within the network as well as a joined up approach to funders. The emphasis has been one of a considered approach, building on success in an incremental way.

Taking on services from a local authority: Woodhorn Museum & Northumberland Archive (WMNA)

WMNA had converted to a trust at about the same time as Northumberland Council had been created, taking over seven local authorities. Northumberland Council inherited three museums but had no capacity, leading to WMNA taking them on with the necessary funding support.

The benefits to Northumberland Council were that WMNA had most front and back office structures already in place. The relationship has continued to prosper with WMNA taking on the events programme in Northumberland libraries, again with additional funding.

Somerset Heritage Services

A Somerset County Council Cabinet paper from July 2012 sets out a detailed review of Somerset Heritage Services (SHS) assessment of the responsibility for services relating to museums along with the optimisation of working with partners and the community plus the promotion, celebration and accessibility of Somerset heritage for people across the world.

The Cabinet paper considered whether the services need to be continued, should they be combined and if so what was the likely best model and where would the efficiency gains and savings be found. The key findings were:

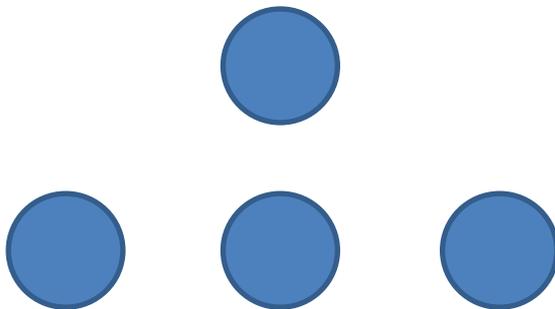
- *Delivering services together:* Somerset had already brought its key heritage functions under a single management span something staff and stakeholders overwhelmingly supported along with the connections and synergies it could bring.
- *Savings and efficiencies:* The cross cutting potential of service sharing was seen as highly important with specific regard to Goal 3 of Arts Council England's five goals for museums: "Museums are sustainable, resilient and innovative". This was seen as a driver towards a more commercial model for Somerset.
- *Model for delivery:* the four options:
 - Remain within Somerset County Council
 - Externalise via a wholly owned (SCC) subsidiary
 - Outsource to a for-profit organisation
 - Create a Somerset Heritage Trust

Lengthy consideration was given to these options concluding in the belief that an externalised service would have to trade, and a 'for-profit' set-up would lose its grant potential, which made Somerset Heritage Trust effective favourite. It was also noted that in Somerset's case since there had already been significant cost cutting, so the advantages of Somerset Heritage Trust were seen as being towards income generation. Work is on-going in bringing this option to fruition.

3.5 The Broad Structural Options

Two broad options are considered:

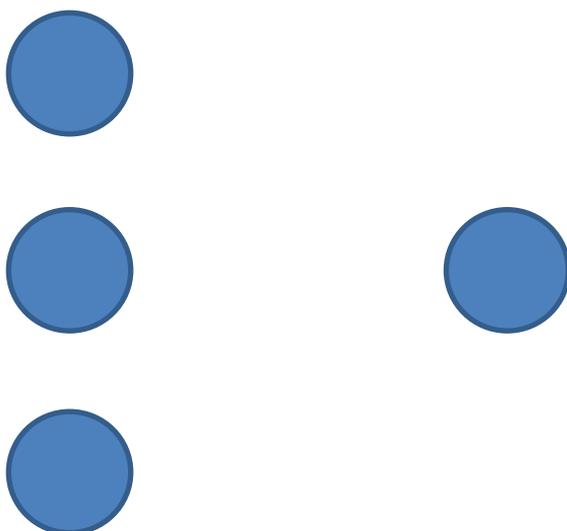
Option A



A classic hierarchal structure with a senior executive organisation at the top and operational subsidiaries below.

While it might be anticipated that the senior company would be connected by a solid line to each of the operating units, in a hybrid form the link could be a less formal dotted line.

Option B



An autonomous structure of three independent organisations with a separate consortium company. The consortium company acts like a header tank, receiving grants and feeding them through to others in the 'club' and also leading on shared services.

3.6 The Best Fit Proposal

The likely best fit option is the creation of a senior body that serves to encapsulate the business of Torquay Museum and Torre Abbey. Brixham Heritage Museum joins the grouping as a consortium partner sharing services and opportunities but in all other respects maintains its independence and its separate grant funding relationships.

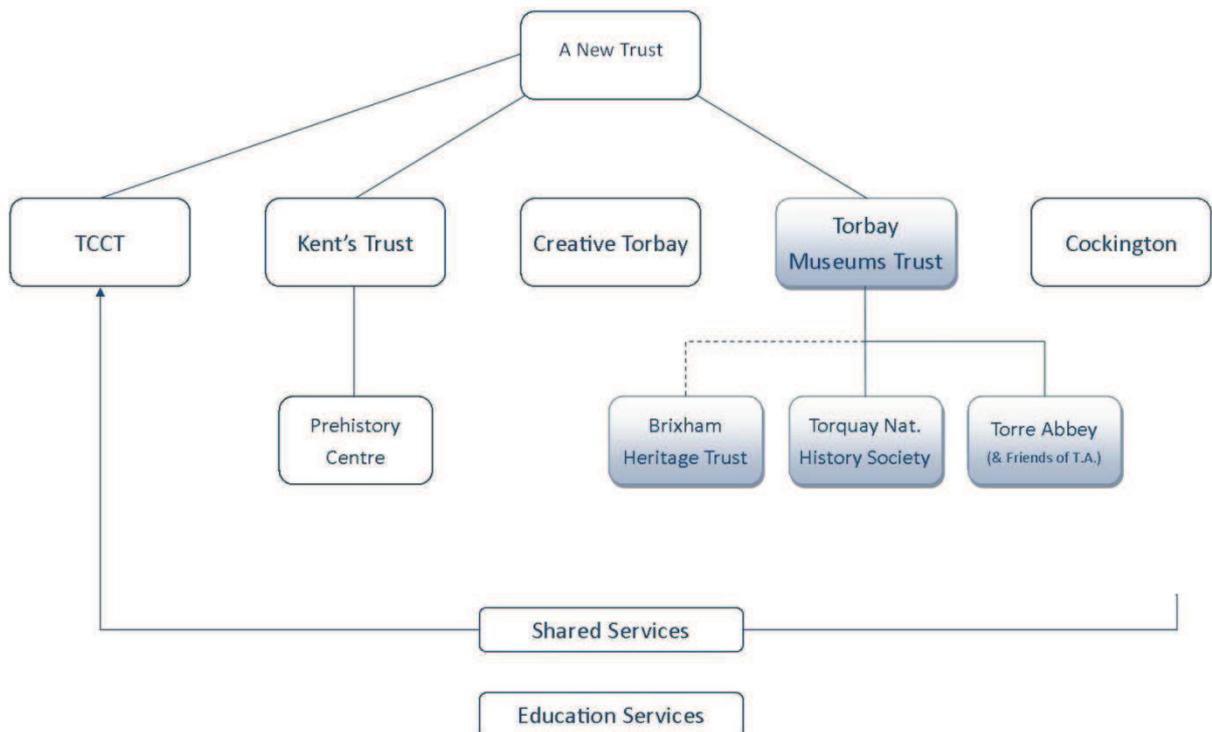
3.7 Recommendations

- Test and tease out the nature and most importantly potential value of cost savings
- Assess which services would be best to launch on a consortium basis (likely around marketing, education and outreach and similar) and establish how these might be worked up on an incremental basis
- Agree at the outset a couple of “quick wins”. A change process such as this will benefit from a quick win, achieving something together that could not have been achieved alone. This creates momentum, so establish what those quick wins might be
- Test out the potential new areas of activity from a fund raisers perspective
- Determine which of options A or B (or a hybrid) would be the most effective delivery structure and which would be preferred by funders

4 Change: impact and considerations

4.1 The Impact of Future Structures

Below is one example of a “big picture” view of what an eventual pan-Torbay arts, culture, museums and heritage structure might look like, with a new Trust sitting at the top of the tree. However the highlighted mini structure within that structure conforms very closely to the model envisaged in 3.6 above.



4.2 Potential Mechanism

While the above 'big picture' view could be some way off, the structure within the structure of Torbay Museums Trust could offer a plausible and effective way forward. The concept would be the creation of a high level body referred to as the 'Torbay Museums Trust' made up of Torquay Museum and Torre Abbey as explained in 3.6 above as follows:

- The new Trust would be the 'capable body,' the business head of the Torbay Museums body
- The existing Torquay Museum would stay largely as existing, a subsidiary, that would be the entity for the Torquay Museum Society (see section 2.8 and the final quote from Richard Smith's proposals)
- It is envisaged that the Friends of Torre Abbey is constituted in a similar way to the Torquay Museum Society of Torquay Museum
- While Brixham Heritage Museum could be funded via the new body if a prerequisite of Torbay Council, but preferably it would be funded as is, but a condition of funding would be around the use and contribution towards shared services
- There would be a mixed economy of grants and commercial earning, explored further in section 4.6 below

The capable body at the top of the "tree" would be the business operation of Torbay Museums; it is intended to be far more than simply a local funding body or "header tank" of grant money. The simple rationale is that this senior body covers the business end of proceedings and the Society/Friends cover the community aspects.

4.3 The Board Structure

The board would be recruited based on the best skills-set for the job and while having a strong representation from Torbay a "house of talents" would be drawn from a wider geographical spread. The need for skills rather than placemen is set out most clearly in Richard Smith's letter referred to in section 2.7 above.

However there should be a representative from both the Torquay Museum Society and Friends of Torre Abbey as well as Brixham Heritage Museum.

Participation of senior players in other organisations should also be sought. While this may create conflicts of interest the potential of networking and development are such that conflicts should be transparently managed rather than avoided. Nick Powe, whose family runs Kent's Cavern and who is behind the concept of a National Museum of Prehistory as well as founding the Geopark Trust and chairing Torbay Coast and Countryside Trust, has already indicated a willingness to be on the board. As well as commercial and financial acumen, such an involvement should be one of the building blocks towards creating a really joined up approach.

A strong board of robust talents will require a chair suitable for the occasion. This will be a key leadership role and consideration as to likely candidates should be given at an early stage.

4.4 HMRC and Cost Sharing Exemption

On 17th July 2012 HMRC issued “Guidance on the Cost Sharing Exemption”. Although not exclusively targeted at charities, the guidance had them in mind in providing a practical way of implementing the “Big Society” ideal.

Among its various ideas the Big Society proposed that larger charities could help their smaller brethren by providing typical back office support services to them. Unfortunately the big drawback is that most larger charities tend to be VAT registered and most smaller charities tend not to be. With the support services attracting 20% VAT all advantages were lost. The HMRC cost sharing exemption sought to remedy this by offering a scenario where VAT would be exempt in such transactions.

Disappointingly the cost sharing provisions introduced in July 2012 are very narrowly drawn and require all participators to be members of a legal entity. These are explained in more detail in Appendix 1. However of particular interest in terms of this options appraisal is that HMRC have set out their ideal structure for a cost sharing group. The cost sharing group must be separate from its members, although owned and operated by the members for their cooperative benefit. The grouping can be a group of equals or one or more members may have effective control, but in all cases all members must have a legal interest in the cost sharing group.

4.5 Other Parties to the Consortium

The other key criteria for any prospective partnership or consortium is that it needs to have the flexibility to admit other players at a later date. The National Centre for Stone Age Man (also known as Kent’s Trust Pre-History Centre) is an obvious example, but there may be others and many of these feature in the “Future Structures” chart of organisations below.

4.6 Critical Mass and Economies of Scale

The prevailing economic wisdom is that three organisations could come together and operate their services with substantial savings. The most sizeable potential saving is around that of office administration, book-keeping and accounts, payroll and financial reporting. However such logic is both a fallacy and a gross over simplification.

For example, looking at the smallest member of the triumvirate, Brixham Heritage Museum. All of its accounting functions are undertaken by a volunteer treasurer and because of its size it is only required to submit to an independent examination which is undertaken on an honorary examiner at no cost. As part of a larger group it would be subject to a full audit and full compliance regime from the Charity Commission. All benefits of shared services would be illusory.

However, in Torre Abbey's case back office support costs for legal, human resources, estates management (but not maintenance), IT, and accounts/book-keeping/payroll come in at a high cost so there would be sizeable scope for cost cutting and rationalisation, however how real actual costs and actual savings are may be a matter for conjecture.

Section 3.3 explored some of the critical mass savings and opportunities of existing service provision; however it is also relevant to consider new areas of activity that could provide added value, new areas that a consortium would be better placed to deliver than a single organisation:

IT and Social Media

Apparently if all the natural history museums in the world that had a William Pengelly item in their collection came together it would be a gathering akin to a United Nations meeting. So while a physical gathering might not be possible could a virtual gathering via a social media link be possible?

However new technology is much more than a gimmick, for an increasing number it is a way of life. A museum that sees its prime sustainability as a visitor attraction needs to set out this part of its stall as seen through the eyes of a 12 year old. That means the visitors being able to use their own iPhones and similar to log on and download information, graphic, narrative and similar (termed QR codes and similar to a bar code that could be on a wall, display case or piece of museum literature). Likewise Smart phones and "Apps" are relevant with many places of interest now having Apps that can be accessed simply by pointing your phone in their direction, releasing interactive material of sound and vision.

Augmented Reality

Augmented Reality is a live view of the world augmented by computer generated sensory input of video, graphics and even sound that is GPS linked. For example via Augmented Reality a person could view an existing cliff or cave scene and then see the layers of time being peeled back to reveal the archaeological features and natural history beneath.

Health and wellbeing

The importance of the health and wellbeing to the museum sector is well documented, most recently in the Museums Association report of July 2012 entitled “Museums 2020”. This heralds a move away from outputs (and frequently funding triggers) of simple visitor numbers to far wider impacts and outcomes. The Localism Act and a regional and national move towards increasing procurement from the charity and voluntary sectors will be led by the contracting out of many health and welfare services.

Museums are uniquely placed in society and are quietly doing the job of engaging many who would suffer from a lack of interest and purpose, depression, isolation and loneliness. As these qualities and potentials are recognised further funding benefits should ensue (even if this means retaining and not losing funding) since there will be a realisation that without these facilities there will be an adverse impact on other related local authority budgets.

While Torquay Museum, Torre Abbey and Brixham Heritage Museum could all develop their own health and wellbeing projects, the cumulative power, breadth and skills that the three could offer in concert would add much to the deliverable product and make any proposal of greater interest to a provider. The idea of a one stop shop and a structure set-up and ready to go signals both cost savings and an ability to move quickly.

4.7 The Longer Term Aspiration

The overall aim is to achieve a mixed museum economy while maintaining clarity of purpose. This means a diversity while avoiding the current situation where on occasions even the core players wonder what they are about and what their priorities are. This means making the whole greater than the sum of its parts as opposed to the current situation where the sum of the parts are actually greater than the whole.

However while the structure needs to be clearly be described it needs to be flexible enough to allow new entrants in, those outer rings yet to be forged.

The mixed economy also means participants not only buying from the consortium but selling too, for example the point made in 3.3 above of Philip Armitage/Brixham Heritage Museum, making their curatorial services available on a commercial basis.

4.8 The Likely Obstacles to be Overcome

The obstacles to be overcome in moving forward are threefold, namely:

- Cultural
- Operational
- Funding

The operational issues are primarily the next steps which are considered in section 5 below. Funding for what is essentially a re-engineering project is also considered in section 5, which leaves the greatest hurdle, that of cultural change.

Undoubtedly it is cultural change, especially at Torquay Museum, that will be one of the greatest challenges. The Society membership would need to support the approach outlined in this report for it to move ahead. Such matters would be determined by Torquay Museum calling an Extraordinary General Meeting (EGM) which is likely to require a 75% majority. However it is difficult to comment specifically on the protocols and running of the EGM since the provisions in the existing Articles regarding such matters are out of date.

If the recommendations in this report are adopted and a funding platform considered likely it would be advisable to start a dialogue with the Society's membership as soon as possible. Much can be gained from a genuinely interactive approach, however it can be time consuming and sometimes arduous.

A part of that approach needs to be a hard headed appraisal of Torquay Museum's financial position. Without Arts Council England funding for 2013/14 and 2015/16 the Museum's net current asset position would be getting perilously close to insolvency. Because the fixed asset position is strong a body of Society opinion might see cash raised via a loan or mortgage as salvation, however this would be a short term expedient. However, the Museum's on-going financial position is such that even if funds could be borrowed the price would be high. Interest and capital repayments would severely tax slender resources, so a loan would likely only delay the inevitable. If that were to happen the membership would have precious little control over the receivers and it would be the building and the collection that the receivers would look to in payment of the debt.

As commented above most operational matters are primarily next steps, however there are two aspects in terms of potential obstacles to be noted that will require further consideration if matters were to be progressed:

- A review of the potential impact of changes on EU procurement rules in terms of services let to the consortium by Torbay Council and similar.
- In terms of the Torquay Museum collection consider the recent Wedgwood charity case that suggests the Museum might consider ring-fencing its collection against unforeseen claims (in that case from a pension fund).

4.9 Recommendations

- Set-up the game plan (and script) for overcoming cultural reticence
- Visualise the “capable body” the powers and scope it would have and list out those to be approached as potential board members
- Decide who is going to be the executive lead on the process and which of the prospective board members might be chair and champion
- Commence an informal due diligence process as a road map to plot the way forward
- Prepare the new organisation’s business plan or at least the financial projections within it

5 What Next?

5.1 Funding

This report can only set out the options, the so-called “doors to walk through”. Conversations with Torbay Council are encouraging and supportive; board soundings at Torquay Museum suggest a positive and pragmatic sentiment and likewise Brixham Heritage Museum are receptive.

The meeting with Arts Council England that formed part of this work also suggested a very supportive response talking of the potential of a substantial investment in re-engineering the Torbay museum sector providing the players were genuinely prepared to “walk the talk”.

The building blocks therefore seem to be in place; consequently it is pertinent to consider what the next steps should be.

5.2 Next Steps

Appendix 3 sets out the legal next steps as proposed by the solicitors advising on the options appraisal (Charity Partner Richard King of Tozers, Exeter), but a summary of the key aspects are as follows:

- Determine the likely ‘best fit’ corporate structure
- Deal with the legal issues surrounding the current governing documents (Memorandum, Articles and similar)
- Create a task group that is capable of becoming the shadow board
- Agree heads of terms for all parties
- Carry out due diligence
- Consider whether TUPE (Transfer of Undertakings and Protection of Employment) is relevant
- Create new structure and subsidiaries seeking Charity Commission approval that is the “capable body”, so often referred to in this report.

- Formal meetings, appointments and changes
- Draft service level agreements between parties
- Deal with availability, access and security of collections
- Establish all governance and operational policies

Each stage will inform the next, especially around the due diligence process. The next stage will also look to cost out the work set out above, establish a timeline and milestones and identify risks and contingencies. But these can only be sensibly undertaken once the overall plan is seen as credible and ultimately achievable.

Appendix 1: Letter of Recommendations from Richard Smith, Director of the Tank Museum

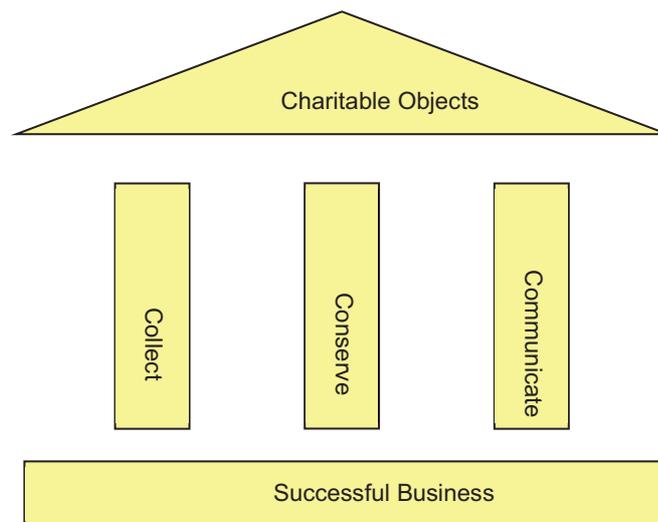
...I was really impressed by the way in which you have been able to attract funding from the HLF and Arts Council and I thought that the Museum was engaging and interesting.

As promised, I am writing to you with some more observations about governance. I will also send some thoughts on visitor experience and branding.

Governance Structure

As I mentioned in my last letter, the governance structure of the museum would be worthy of review. It was clear from my visit that the Historical Society running the Museum is extremely effective as a society, but it is questionable whether it is equipped to provide governance of a 21st Century Museum.

A museum board of trustees needs to be able to set policy and scrutinise activity to deliver the charitable objects of the organisation. I normally represent a museum's business with the schematic below:



As you are very much aware, to be successful, a museum must operate as a successful tourist attraction. This enables it to generate the funds to carry out its core activities in regards to the collections. The two combined enable a museum to achieve its charitable objects sustainably. Effective governance involves directing strategy at each level and ensuring that the achievement of the organisation reflects the strategic intention.

While annual election of trustees can be a very effective way of governing a historical society, keeping it both fresh in approach and ensuring that the wishes of the members are reflected in the operation, it has distinct disadvantages in the governance of a museum. This is particularly the

case regarding the ability to set and audit a strategy and in the provision of appropriate expert views on both the commercial and museological aspects of a museum's work.

As I mentioned to you last week, at The Tank Museum, the most important long term initiative carried out by my predecessor was to review governance. He had inherited a board comprising entirely of soldiers, most of whom were ex-officio posts. This led to a one-dimensional board without museum or business skills and with a rapid turnover. By the time I arrived at The Tank Museum six years ago the board was appointed on a skills-basis, identifying the kind of person we needed and inviting people to join us. This has led to a balanced team including professionals in museums, business, law, finance, media and academia.

I would recommend that you examine the merits of de-merging the Historical Society and the Museum, setting the Museum up as a separate charity with its own board. The Historical Society could continue to be represented on the Museum Board – for instance through the Chairman and Secretary of the Historical Society sitting as ex-officio trustees of the Museum. However the bulk of museum trustees should be appointed specifically for the skills they can offer. I would also suggest that you consider a minimum term for a trustee of three years with the opportunity to extend for further terms with the agreement of the board.

As we discussed, I would be happy to present to your board about how The Tank Museum went about restructuring our governance arrangements and the benefits that it has brought us.

Richard Smith
Director, Tank Museum

Appendix 2: HMRC and Cost Sharing Exemption

As explained in section 4, on 17th July 2012 HMRC issued “Guidance on the Cost Sharing Exemption” as one of the ways of implementing the “Big Society” ideal.

The concept was a device to overcome the charging of 20% VAT from one charity to another where they were acting jointly or sharing services. Particularly relevant when one of the parties could not recover the VAT. Unfortunately the cost sharing provisions are very narrowly drawn and require all participators to be members of a legal entity. VAT exemption is available for services provided by the cost sharing entity to its members where those services will be used for the exempt or non-business activities of the member and they are “directly necessary” for those activities where “directly necessary” means that the services will be used for at least 85% qualifying activities. It should be noted that if any of the members have activities that are taxable for VAT purposes this could preclude the exemption from applying if the 85% test is not met.

Taxable activities include income from shops or cafes and for some museums the admissions income could be taxable if the terms of the cultural exemption are not met. In addition, the cost sharing entity must only claim exact reimbursement of costs from its member i.e. it must not make a profit although the charges to members can include indirect costs.

As stated in 4.4 the cost sharing group must be separate from its members, although owned and operated by the members for their cooperative benefit. The grouping can be a group of equals or one or more members may have effective control, but in all cases all members must have a legal interest in the cost sharing group. If the cost sharing group buys in resources such as staff or IT costs it will not be able to recover the VAT on these costs to the extent that the resources are used to generate exempt income from the members. This means that a cost sharing group will be most beneficial where the cost sharing group employs its own staff.

Appendix 3: Charity solicitors, Tozers, list of next legal steps

If the principle of an overarching body is approved by the participating museums (or at least their funders) the next (mainly legal) steps would be:

- Flesh out the proposal as to the level of collaboration e.g. how flexible a structure is it to be?
- Address any legal issues i.e. is it within their existing objects/powers? Is there permanent endowment?
- Also address any employment implications
- Secure trustee meetings to approve the proposal (if not already achieved)
- Consultation/advice letters to members/'friends'?
- Ensure that they are satisfied that it is legally and financially possible and in their charity's interests
- Form a task group as a 'shadow board' for the new undertaking
- Agree Heads of Terms
- Instruct accountants and solicitors to carry out due diligence on the participating museum bodies
- Instructions to create and register the new charity and any trading subsidiary
- Arrange members' meetings of the participating bodies, especially if constitutional changes or even dissolution envisaged
- Appoint new body as Trustee of the participating bodies?
- Transfer agreement and disclosure letter (depending on chosen structure)?
- Service level agreements between the 'parent' body and its 'subsidiaries'
- Agreements as to availability of collections etc.
- Other policy documents including safeguarding, investments, reserves, risk assessment, H&S etc.
- The order and timescale in which these are carried out will depend on the degree of co-operation achieved and the type of structure chosen.

Torbay Museums: **Options Appraisal for Future** **Governance**

Final Report

Draft v2.2

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1 Executive Summary

The three Torbay museums operate on a lean basis. None the less, without Council subsidy (in total £261k), each of them runs at a deficit.

The Council is clear that it has no choice but to reduce their subsidy significantly, preferably to £100k by 2016/17: a drop of £161k. In principle, to survive, Torbay museums have three possible options:

1. Invest in jointly developing an ambitious, compelling museums offer, which boosts visitor numbers and helps drive local economic growth;
2. Individual museums separately focus on the activities and assets which add most value to customers and potential customers, generating new revenues as a result, whilst ruthlessly cutting costs;
3. Quickly move to a single, or shared, low cost organisation, with a clear emphasis on commercial revenues.

In practice, the first is not possible. We note that there is enthusiasm amongst some shareholders for the museums to play a significant role in repositioning the visitor offer for Torbay as a whole. But this would take public sector investment: an investment which is not available.

The document explores the other two options. The conclusions are as follows.

- It is highly unlikely that any form of sharing, cooperation or merger between the three can close the subsidy gap.
- It is possible that a change in the museums' governance model could result in an increase in commercial revenue (e.g. trading). This "enterprise dividend" is associated with increased management freedoms; typically, a Council-run service moving to Trust, or a clearer distinction between a Trust's executive and non-executive functions. Even if such changes were made, they are unlikely to deliver sufficient net margin to close the gap.
- Given the circumstances, it is hard to see a sustainable model for the three museums without closures and/or substantial reductions in activity.
- The development of a new trust, incorporating the existing three museums, incorporating two of them, or incorporating some of what they do, could be counter-productive. The evidence is clear: most mergers in both the public and private sectors fail to deliver all the expected outcomes. Key stakeholders in the three museums have very different views and aspirations, the museums themselves are significantly different. Substantial management time is typically required to create stakeholder alignment. This management time would be better spent on improving the individual museums' commercial offer, and on capturing the resultant revenues, rather than dealing with the politics of complex change.

In our view, therefore, Option 2 is the preferred approach. Each of the Torbay Museums should focus on customer responsiveness. This means that each of the owning bodies must: (1) challenge their management teams to generate new revenues; and (2) give them the operational and decision-making space to do so. The additional income, combined with site by site cost cutting, plus the impact of positive customer feedback on Council budgeting, may mean a sustainable model can be achieved.

We are aware that we were asked to show how Option 3 might work. Can a combined or merged museum model deliver more than Option 2? **In our view, it is possible - though it is unlikely.** There are costs that could be shared, but the three organisations are already lean. A joint operation may be able to generate more new revenue than the individual parts. But, to work, it would require: (1) enthusiasm and support for close cooperation or merger from key stakeholders from the outset; and (2) a commitment to giving management the operational freedoms and challenge which generate real enterprise. It is not clear that either of these is in place. In any case, such an approach would almost certainly not close the funding gap.

If the three museums are committed to this third option then, in order to give it the best chance of success, we recommend it should incorporate all (not part) of the three museum's functions, be an independent trust, focus on a small number of customer propositions that have broad appeal, and quickly establish a Shadow Board and a transition plan, this way forward is mapped out in detail in sections 7 and 8. This is because the Torbay museums are facing a real, severe and joint financial crisis. If they are to survive, and to do so through working together, they must spend as little time as possible on conversations amongst themselves, and as much time as possible on building new revenue streams and a sustainable way forward.

2 Introduction

This document sets out observations and recommendations on the future governance of Torbay Museums. It builds on a previous options appraisal, seeking to identify the detail which might underpin the recommended option.

2.1 The Requirement: Governance Options

In October 2012 Torre Abbey, Torquay and Brixham Heritage Museums were successful in gaining a Renaissance Strategic Funds grant from the Arts Council for England. The Future Museums Project was set up as a result of this.

The project sought to ensure the museums move towards a more sustainable future, in part by identifying and assessing more effective future business models for museum delivery.

An initial options appraisal was carried out by Devon Square Partners Limited during the early part of 2013. The report found that the current method of operation was not ideal. This initial work envisaged that a new higher level body would be created that would be the commercial equivalent of a holding company. It would represent and galvanise the business part of Torbay Museums, freeing up Torquay Museum Society and Torbay Council from main line commercial considerations. It proposed that while Brixham Heritage Museum is part of the 'consortium club', it maintains its own legal standing and current arrangements.

The museums appointed Black Radley Culture to carry out further work on the options appraisal for the future governance of the three museums. In particular the museums wanted this work to drill down into the detail of what a new trust would look like and the delivery and financial benefits this brings.

2.2 The Context

The recession, the change of government, and tough public sector settlements have all speeded up a process of change which was already taking hold in the cultural sector. A market driven by greater user expectation, more choice, and greater demand for accessibility was driving a focus on improvement and customer engagement. At the same time, Local Authorities are in the process making cuts of around 30% or more; many are looking at redefining the way that local government services are delivered. Universal services such as museums, and the broader cultural sector, are experiencing significant budget reductions.

The museums of Torbay are situated in the second largest population centre in Devon. Torbay has 134,000 residents compared to Plymouth's 258,700 and Exeter's 119,600. Torbay falls within the top 20% most deprived local authority areas in England for the rank of average score and the rank of local concentration. 21,000 (15%) of residents live in areas considered in the top 10% most deprived in England. Deprivation in the area is continuing to worsen. On the index of multiple deprivation Torbay has a high score of 26.8 compared to 16.89 in SW and 19.5 for England as whole with 23.4% of under 16s living in low income households (Torbay).

There are three accredited museums within Torbay - the English Riviera, all at least in part funded by Torbay Council:

- Torre Abbey was founded in 1196 and is Torquay's most historic building. As well as its abbey ruins it houses a nationally important collection of paintings and antiques.
- Torquay Museum is Devon's oldest museum, created in 1845 and is still owned and managed by its parent Society. It is a registered charity. The museum houses international important geological, archaeological and ethnographic collections. A variety of temporary exhibitions and a programme of events are delivered throughout the year.
- Brixham Heritage Museum was founded by Brixham Museum & History Society in 1958. It tells the story of the Riviera's oldest town, from the Stone Age through to the present day, using a strong nautical flavour. Particular emphasis is given to Brixham's fishing and ship building industries, also to the Berry Head Napoleonic Fort and Brixham's prehistoric 'Bone' Caverns.

2.3 Methodology: Balanced Enterprise Planning

An effective methodology for this project must:

- Review and summarise the current state of the museums;
- Robustly assess and investigate the financial position of the museums;
- Identify the current and potential challenges and develop appropriate options in response;
- Test the viability of the options and appetite for change (against stakeholder, partnership and wider contexts);
- Using the above, work with the relevant partners and key stakeholders to agree criteria by which possible options should be judged;
- Model possible options, analyse risks and issues.

We have used an approach based on our ***Balanced Enterprise Planning*** methodology. To decide between service and governance options, the key is to recognise that "**form follows function**". The right structural answer is dictated by the nature of what the structure is there to achieve. Organisational vitality requires an alignment between the way we are and what we do.

The **form** of the museums in Torbay (their governance structure) must support the **right balance of operational, financial, and political functioning**.

3 Costs and income

3.1 Existing costs and income

Black Radley Culture collated the 2013/14 budgets for the three organisations, adjusted for year to date performance where applicable, to understand the existing costs and income and thereby identify the financial implications of any governance change. The table below shows the result of that exercise.

	Torre Abbey	Torquay Museum	Brixham Museum	13/14
Admissions & gift aid	83,000	99,000	9,156	191,156
ACE grant		140,000		140,000
HLF		39,500		39,500
Happy Museum		20,000		20,000
Other grants		9,500	16,846	26,346
Fundraising	1,000	48,000	7,875	56,875
Trading	54,500	44,500	6,348	105,348
Subscriptions		14,000	2,441	16,441
Rents	40,000		96	40,096
Investment		4,000	367	4,367
Total income not including Council subsidy	178,500	418,500	43,129	640,129
Payroll	(201,700)	(170,000)	(33,717)	(405,417)
ACE payroll		(113,000)		(113,000)
Happy Museum payroll		(14,000)		(14,000)
ACE project		(33,000)		(33,000)
HLF project		(39,500)		(39,500)
Happy Museum spend		(6,000)		(6,000)
Fees	(5,000)	(28,200)	(100)	(33,300)
Establishment	(75,600)	(80,700)	(7,526)	(163,826)
Trading	(22,500)	(12,000)	(2,739)	(37,239)
Admin/society	(6,400)	(9,000)	(2,047)	(17,447)
Curatorial	(24,365)	(4,000)	(1,291)	(29,656)
Engagement/marketing	(23,500)	(7,000)	(4,891)	(35,391)
Exhibitions		(13,300)		(13,300)
Education & outreach		(2,000)	(1,762)	(3,762)
Other	(7,300)		(297)	(7,597)
Governance costs				0
Central costs				0
Capital		(3,000)		(3,000)
Total expenditure	(366,365)	(534,700)	(54,370)	(955,435)
Operating deficit	(187,865)	(116,200)	(11,241)	(315,306)
Torbay Council subsidy	187,865	76,500	20,000	284,365
Net (deficit)/surplus	0	(39,700)	8,759	(30,941)
Admission income as % of total income	46%	24%	21%	30%
Torbay Council subsidy as % of total expenditure	51%	14%	37%	30%
Trading income as % of total income	31%	11%	15%	16%
Staff costs as % of total expenditure	55%	56%	62%	56%

Note: in the absence of a 2013/14 budget Brixham figures are 2012/13 actuals.

The key points to note are:

- All museums operate at a deficit before Torbay Council's subsidy is included. The subsidy as a proportion of total expenditure, including project spend, varies from 14% (Torquay), 37% (Brixham) and 51% (Torre Abbey).
- The subsidy from Torbay Council accounts for the highest proportion of any funding source;
- Torquay Museum has produced a deficit budget even after the Torbay Council subsidy, this has been adjusted by management indicate to reflect the fact that current trading is below budget. The Torquay Museum cash position has been supported by a £100k loan from a member which is repayable in five instalments starting from April 2014;
- Staff costs account for 56% of the total aggregate expenditure of the three museums;
- The largest cost caption after staffing is establishment;
- The ACE grant of £140k is used mainly to deliver projects and is not certain after 2014/15.

4 Stakeholder Perspectives

If there is not a clear and agreed purpose for the new or changed organisation, a governance/restructuring exercise can use up significant management time, stakeholder goodwill, legal fees and consultancy costs. If key decision makers (“stakeholders”) are not of a common mind about the organisational purpose, then new structures will add no value. The phrase “form follow function” is crucial in all governance reviews, and has particular resonance for Torbay.

Appendix 2 summarises stakeholder opinion generated during this project. Appendix 3 describes how those opinions were turned into a set of success criteria.

In summary, key stakeholders wanted the future museums set up to: (1) be more commercial in orientation; and (2) give them continued close control. There is an unresolved tension between these themes. In addition, there was no clear story concerning how the three museums complemented each other from a customer perspective.

An ambitious model for Torbay museums might be shaped around the need to drive up overnight visits from high net worth individuals. Given the state of public sector budgets, this would probably require some form of joint venture with a private sector player (e.g. Kents Caverns). This, as a consequence, would almost certainly require the new venture to have a fair degree of freedom, in the near future, from the Council and Torquay Museum’s members.

At the other end of the spectrum, a containment approach to the museums, driven by the need for a reduced Council subsidy, would require a hands-on contract management approach from Council staff, putting operational pressure on the three organisations to share staff/activities.

These are just two points on a possible spectrum. The governance models for each are radically different. This is why the initial options appraisal may have been less than conclusive: it was not clear what the question was.

For this reason we asked that Torbay museums stakeholders spend some time working through: (1) why change is needed; and (2) what success looks like. In response the stakeholders gave Black Radley Culture a clear message. Because of the reducing public subsidies available to Torbay Council, the recent redevelopment at Torre Abbey and the financial challenges facing Torquay Museum, a cost reduction/closely controlled option was the only realistic way forward. Stakeholders understood that such an approach would limit their possible ambitions with regard to the quality and scale of the product across the three museums.

It is none the less not clear that some key stakeholders have grasped just how significant Council subsidy is to each organisation’s viability, and therefore the scale of the potential crisis they collectively face.

5 Possible Models

In principle, there is a wide range of governance, operational and financial perspectives/options available to the museums in Torbay.

The **Governance** options include:

- The three museums operating together;
- Torquay Museum and Torre Abbey operating together;
- The three organisations operating independently;
- A combination of some or all of the three with Kents Cavern.

In each case, the structural form(s) used to underpin the approach could be any one of the following:

- An informal or semi-formal partnership;
- An independent organisation, closely tied to the Council;
- An independent organisation, at arm's length from the Council;
- Radical outsourcing.

There are a range of possible **Operational** options, including:

- Ambitious/strategic – Geopark, National Centre of the Stone Age, Devon-wide cooperation;
- Tactical – establish a heritage attraction in Brixham town centre and on Torquay's seafront, combine with other (fair weather) leisure operators to develop counter-cyclical resourcing approach;
- Containment – maintain existing facilities within a reducing budget ceiling, perhaps by extending the Brixham Museum volunteering model.

There are also a several **Financial** options, or perspectives, in which key stakeholders show interest:

- An increase in public sector investment in museums, to drive visitor numbers, fill local hotel beds and generate economic growth;
- A year-on-year reduction in Torbay Council's spend on museums, in the light of tight budgets;
- A partnership with a private sector player, creating a more coherent and sustainable set of visitor attractions.

These options are explained in more detail in Appendix 4.

6 Financial Analysis

6.1 Financial Models

Beneath this complexity, there are essentially a limited number of financial models.

- 1. Carry on as now, organisations working and governed separately (with Torbay Council subsidy cut substantially across the three museums).**
- 2. As above, but with individual focused cost cutting and individual enterprise dividend.**
- 3. Joined up, current stakeholder and operational differences not effectively resolved (subsidy reduced, some costs cut, but no enterprise dividend because of management distraction)**
- 4. Joined up with enthusiasm (subsidy reduced, some costs cut, enterprise dividend realised - the enterprise model)**
- 5. Joined up with external commercial (e.g. Kents Cavern or South West Lakes Trust)**

Summary income and expenditure accounts for models 1 to 4 are shown in the table below:

Model 1	2013/14	2014/15	2015/16	2016/17
Income	662,994	576,629	436,629	436,629
Expenditure	(955,435)	(873,225)	(705,651)	(705,651)
Torbay Council subsidy	261,500	261,500	222,275	188,934
Surplus/(Deficit)	(30,941)	(35,096)	(46,747)	(80,088)

Model 2	2013/14	2014/15	2015/16	2016/17
Income	662,994	591,454	467,021	483,365
Expenditure	(955,435)	(874,027)	(707,223)	(708,036)
Torbay Council subsidy	261,500	261,500	222,275	188,934
Surplus/(Deficit)	(30,941)	(21,073)	(17,927)	(35,736)

Model 3	2013/14	2014/15	2015/16	2016/17
Income	662,994	567,071	417,991	392,924
Expenditure	(955,435)	(856,144)	(666,232)	(671,633)
Torbay Council subsidy	261,500	261,500	222,275	188,934
Surplus/(Deficit)	(30,941)	(27,573)	(25,966)	(89,775)

Model 4	2013/14	2014/15	2015/16	2016/17
Income	662,994	593,931	472,483	491,867
Expenditure	(955,435)	(858,006)	(670,049)	(679,555)
Torbay Council subsidy	261,500	261,500	222,275	188,934
Surplus/(Deficit)	(30,941)	(2,575)	24,709	1,245

All four models show very challenging results, three are clearly non-viable with a reduction of Torbay Council subsidy to £189k by 2016/17. This level of subsidy is more than the target of £100k expressed during stakeholder discussions.

It should be noted that Torre Abbey made a transfer from reserves in 2013/14 of £22k which will not be available in 2014/15. This is in essence a reduction in core funding in addition to the reduction in Torbay Council subsidy.

Model 5 is very difficult to assess at this stage. It would depend on a number of variables such as the nature of the organisation that the museums were in partnership with or outsourced to. A relationship with a highly commercial organisation such as Kents Cavern would look very different to a relationship with the likes of South West Lakes Trust.

The detailed workings and assumption behind the models are contained in Appendix 9.

Model Summary

The modelling demonstrates that, unsurprisingly, the 2nd and 4th options are the most sustainable ways forward. On paper the 4th option seems to offer the best financial outcome. However to achieve this model will require significant realignment of operational, management and stakeholder processes and perspectives. The work around the governance project has already used up a considerable amount of resource across the three organisations and will continue to do so. Therefore delivering this model carries significant risk with it. Based on our previous experience and our analysis of the situation in Torbay we have identified the key risks as:

- Lack of internal operational alignment;
- Stakeholder lack of support/sense of loss of assets
- Lack of management freedom and enterprise
- Legal and change overheads obscure management focus
- Trying to be all things to all people
- Costs are not cut sufficiently
- Council cuts too fast

Unless these risks are mitigated thoroughly, the return on investment of any move to an independent vehicle is likely to be significantly limited. **On balance therefore we have to highlight Model 2 as the most likely to succeed in the current financial and operational climate.**

Section 7 considers how the risks we have highlighted can be mitigated.

6.2 Finance under independent trust

Most of the finances of the service are not dependent upon the governance structure. In order to consider the financial effect of an independent trust as outlined in Models 3 and 4 the following headings have been identified as being affected:

- Enterprise Dividend;
- Taxes;

- Philanthropic income;
- Central costs;
- Governance costs.

Each of the five headings and the relevant issues are explained further below. Some of the headings have an investment dimension in the model, recognising that generating new income may require up-front investment.

Enterprise Dividend

Under the independent trust model the service should be able to be more enterprising and innovative. This will entail exploiting existing sources of income, such as retail and catering, more effectively and accessing new sources of income.

The enterprise dividend will only be realised by staff within the new organisation changing their behaviour and taking advantage of the freedoms which will come with independence. This will require changes in both the way in which the service is directed by the Board and management and by the way front line staff deliver the service. These changes in behaviours are not easily realised and not all staff will be comfortable with the new ways of working. Evidence from comparator organisations indicates that such a cultural shift can take some years to embed.

Taxes

If the delivery organisation is a registered charity there are certain tax benefits that can be realised. The reduction in the National Non Domestic Rates (NDR) represents a reduction in the rate charge to the museum service. As a charity the organisation might be able to claim an 80% reduction in its non-domestic rates and might be able to get relief for the other 20% if the Council thought it appropriate. There are also certain VAT exemptions including paying a lower rate of VAT on fuel and the ability to not charge VAT on some sources of income. Torquay and Brixham museums are already registered charities.

Philanthropic Income

Evidence suggests that there is often a reluctance to donate money to a service that is part of a local authority so an independent organisation should be a more acceptable vehicle for philanthropic income both corporate and personal. Fundraising requires a specific skillset and is a long term activity, Black Radley Culture experience is that that it also involves a change in culture in newly independent organisations; this change can take some time to occur. Any existing fundraising strategy will need to be refreshed under these governance options.

Independent organisations might be able to access funding from trusts and foundations that were not open to the service as part of the local authority. Being a registered charity may assist in accessing new sources of income. Conversely there is also the risk that an independent organisation might not be able to access some sources of funding which were available to the Council.

Central Costs

Torre Abbey is currently charged approximately £200,000 internally within the Council for the provision of certain services. These services may include gas & electricity and the provision of finance, property, HR and IT support.

An independent delivery organisation might still choose to have these goods and services provided by Torbay Council but would also have the option of accessing the market for cheaper and/or effective services.

Governance costs.

Under the new organisation options being considered there will be additional governance costs, such as Companies House and Charity Commission compliance and the costs of running the board. The scale of such costs is hard to judge but is rarely more than a few thousand pounds per annum.

7 **Recommendations**

Amongst some stakeholders there is an appetite for a robust and business-like approach to attracting far greater numbers of high spending visitors to the area, using a high quality heritage service as a draw. However the way forward needs to be realistic, mindful of the public funding situation and the desire of the current governing bodies to retain close control in the short and medium term.

The reality is, therefore, that the focus has to be on (1) sharpening of operational focus and (2) tight cost control. If trustees and members are prepared to give up a level of direct control over their respective museums, there may also be a focus on (3) generating greater commercial income. **This last point is crucial. This “enterprise dividend” is only likely to be possible where a greater critical mass has been achieved (through merger) and greater management freedoms have been granted to the team.** Such freedoms might include:

- The opportunity to raise or reduce admission prices;
- The ability to reallocate resources, from curatorial areas to marketing for instance;
- The opportunity to focus specifically on particular market segments;

In our experience if operational freedoms and merger are not possible, the cost of achieving governance change is likely to be greater than the savings made. It would be better not to change current structures and simply to allow cuts to play out as they will.

The primary recommendation for the three museums is therefore that:

Recommendation 1: Management and stakeholder focus should be on commercial revenue generation, not on merger.

However If the governing bodies of Brixham Heritage Museum, Torquay Museum and Torre Abbey are committed to moving towards merger and granting the necessary operational freedoms, then we propose the following governance, structural, operational and financial recommendations.

7.1 **Governance Options**

Whilst all three museums have achieved notable successes acting independently, they all face significant financial and operational challenges in the future. The contextual analysis and stakeholder feedback provided some strong messages around governance and as a result three of the six success criteria outlined in detail in Appendix 3 refer specifically to the need for a more joined and efficient approach across the three museums.

We therefore recommend that in the first instance, and as a potential first step to a move towards an independent vehicle:

Recommendation 2a: The three museums combine their staffing teams and operational processes as soon as is feasible.

Such an approach will ensure that the three sites work together effectively; it will allow a coherent approach to strategic planning and quickly provide a single point of contact for stakeholders such as Torbay Council and ACE to work with.

7.2 Structural Options

If the alignment of staffing teams and operational process moves forward successfully, and the existing governing bodies maintain their willingness to allow the museums the necessary management freedoms, then we also make the following structural recommendations:

Recommendation 2b: Create a new independent organisation to take on the running of all three museums from 2016.

Recommendation 2c pays particular reference to the views emerging from the stakeholder discussions concerning reducing public subsidies and a desire expressed by all existing governing bodies to remain close to the assets, in particular the buildings and the collections.

Recommendation 2c: A single independent museums trust, closely bound to the existing governing bodies through specified interfaces and trustee composition.

The organisation would be a Company Limited by Guarantee, which would seek charitable status. Staff would become employees of the new organisation. The major assets would remain the property of the relevant governing bodies.

Specifically Torbay Council, Torquay Museum Society and the existing board of Brixham Heritage Museum will pass on all aspects of the day to day running of the museums to the new trust. Torbay Council and Torquay Museum Society will retain ownership of the key assets and pass on management to the Trust through a service level agreement; Torbay Council will also manage its subsidy through such an agreement. Brixham Heritage Museum Board may want to pass on ownership of its collections to the new vehicle or may wish to retain ownership and manage through a SLA as well.

This option will allow Torbay Council, Torquay Museum Society and the existing Brixham Heritage Museum Board to have representation on the Board of the new vehicle, and the business plan will be agreed by these three interested parties. However the new organisation must also to be given sufficient freedom and flexibility to seek out the enterprise dividend that is potentially available to independent vehicles, and to deliver the innovation required to meet the challenges ahead.

Nevertheless we are mindful of the first success criteria outlined in Appendix 3, and the clear message given by stakeholders such as and Torbay Council that they would like to remain in control of the key assets at least in the short term for a variety of political and operational issues, therefore we also suggest that:

Recommendation 2d: Any move to a single vehicle is staggered over three years. Year 1 involves an operational alignment, Year 2 involves a strategic alignment, with the creation of a shadow board, and Year 3 sees the formal creation of the new vehicle.

It should be pointed out that a speedier move towards merger and management freedoms is possible if the governing bodies were prepared to relinquish control earlier. Such a change in pace might result it:

- A quicker release of the potential enterprise dividend;
- An earlier opportunity to secure grants and funds from Trusts and Foundations;
- More resource being used across the three museums to increase and diversify income generation.

7.3 Operational Options

Discussions with stakeholders, and Torbay Council in particular, illustrated the very challenging public funding environment, and it seems clear that the Council is not able to invest sizeable sums into the museum sector in the medium term.

Therefore any option here needs to be driven by the need to reduce public subsidies. The opportunity to secure grants from sources such as the Heritage Lottery Fund and the Arts Council will remain, but the chances of securing such funding will be severely diminished if public subsidies are being significantly reduced:

Recommendation 2e: As the three museums move towards a new single vehicle, the prime management task needs is to tightly focus the museum functioning within the existing scope and customer offer, i.e. concentrate on a small number of key areas that have a powerful appeal.

In practice this means a move away from the traditional cultural sector approach of trying to be all things to all people. Whilst we have not had an opportunity to undertake a thorough analysis of audiences, programmes and collections, we would suggest that:

- Resources are allocated immediately to assessing the customer data currently available from such sources as Torbay Council to assess audience needs and expectations.
- Resources are refocused more generally towards areas, such as marketing, customer care and programming, which generate and sustain larger audiences and income generation;
- Programmes, permanent displays and buildings are focused specifically on clearly identified target markets;
- A more flexible approach is taken in such areas as curatorial and collections, where instead of having a fixed staff resource, budgets are allocated which can be used to bring in the necessary expertise around particular collection areas as and when required;
- The collections across all three sites are reviewed;
- It is also apparent from the work we have undertaken that some sizeable resources across the three museums have been allocated in the past to working with hard to reach groups from the local community. Whilst such work is laudable, we would recommend that this type of engagement is only carried out if it is commissioned or funded by an external agency on a full costs recovery basis.

We anticipate that this might mean that Brixham Heritage Museum decides that its most popular and compelling visitor draw relates to maritime history, and ensures that the majority of conservation, curatorial, volunteer and marketing resources are focused accordingly. Torquay Museum might focus around Agatha Christie, and create stronger links with the Geopark, whilst Torre Abbey might concentrate on being a historic house with accompanying art collection.

The challenging budgetary environment will mean that those working across the three museums will need to consider a range of innovative and challenging approaches to saving money. For instance we suggest that an increased use of volunteering will be considered and the experience gathered by colleagues at Brixham Heritage Museum will be valuable in driving such a development.

In addition stakeholders were at pains to point out that links to such organisations as Kents Cavern and the Geopark should be exploited by the museums in the locality. Whilst such engagement will prove challenging in a reducing subsidy environment any link with an enterprise focused cultural organisation such as Kents Cavern should prove beneficial, it will also allow limited resources to be stretched further.

Recommendation 2f: Serious consideration is given to exploiting synergies with other cultural organisations in the locality, such as the Geopark TCCT and Kents Cavern. The opportunities provided by the relocation of Brixham and Heritage Museums should also be looked into.

7.4 Financial Options

There was a clear message from stakeholders that the driver must be to reduce the dependence on the Torbay Council subsidy amongst the three museums, there is an expectation that the museums should work together efficiently, sharing staff and services. Torbay Council has indicated that subsidy levels will decrease from 2015/2016, and that no guarantees can be made about the existing support to the three sites beyond 2016/2017. Costs will need to be cut, services targeted and assets sweated effectively.

Therefore we recommend that:

Recommendation 2g: The museums reduce their dependence on Council subsidy by further cutting of costs where possible and seizing opportunities to further diversify the funding base.

However it should be emphasised at this point that the three museums are already lean, the modelling we have undertaken demonstrates that any savings through cost cutting and efficiencies are likely to be small, in the region of a few tens of thousands of pounds at most. Our financial analysis also indicates that it will be very difficult for any new vehicle to operate sustainably in the short term with a subsidy level of less than £200,000 from Torbay Council. In order that the new vehicle is given every chance to succeed we propose that:

Recommendation 2h: The subsidy from Torbay Council is reduced to £200,000 in 2016/17, and reduced by no more than 10% each of the following two years.

7.5 Implications for Stakeholders

The recommendations we have described above will go some way towards meeting the short and medium term needs of Torbay Council and Torquay Museum Society. It will allow these organisations to retain direct control of the collections and buildings in the short term. These recommendations will also enable the current governing bodies to have significant influence over the new independent vehicle through board membership and input into the service level agreement. It will place the museums in the most favourable position to realise efficiencies, undertake cost cutting and to become more fleet of foot if they are given the suitable management freedoms.

The recommendations provide the existing Board of Brixham Heritage Museum with a choice; they could pass on their collection assets to the new trust, secure the necessary representation on the Board of the independent vehicle and disband. They could also continue in some form, retaining ownership of the collections and

handing over day to day responsibility through some form of service level agreement.

On an on-going basis the Torquay Museum Society will be able to negotiate a suitable agreement with the new independent organisation which will allow such privileges as the hosting of the lecture programme and access to the local history resource to continue in a similar vein as before. However this limited investment approach may restrict the ability of the new vehicle and each of the museums to take advantage of tactical and enterprising opportunities. It will also limit their ability to maintain a high quality product in the medium term. There are also immediate challenges which need to be overcome, such as the precarious nature of the Torquay Museum's finances, before any significant change can take place.

8 Implementation

This section outlines how the transition to the independent vehicle described in Section 7 should be managed. A detailed financial plan should be developed from our model, taking into account stakeholder expectations, income sources, and the likely requirements of the three existing governing bodies.

8.1 Schedule

If a new, independent organisation is to be created, a managed transition over several stages would be the lowest risk and lowest cost way to make the transition. Such an approach also fits well with the clear messages given by the existing governing bodies of the three museums where a staggered process has been suggested, taking place over three years.

- Year 1 (2014/2015): The first year focuses on developing an operational alignment across the three sites. This will include developing a shared strategic plan, a coming together of services and a focus on cost cutting.
- Year 2 (2015/2016): In the second year there will be a continued process of operational alignment, along with the early stages of the creation of the new vehicle to govern the three museums. This will include the recruitment and setting up of a "Shadow" Board.
- Year 3 (2016/2017): The final year will see the formal creation of the new vehicle, with a Board and executive in place to take it forward.

A shadow approach to independence should be adopted, allowing internal interfaces to be agreed and practised (e.g. with property and HR support in the case of Torre Abbey) alongside the on-going operational and management alignment before legal independence.

A high level draft plan is shown below. The figures on the right hand side of the plan give a broad estimate of the amount of resource required to undertake the various aspects of the timetable. The "internal" column indicates the amount of time that is likely to be required from the three museums to undertake the governance change. The "external" column indicates the number of days of support that will be required from individuals beyond the three organisations with particular areas of expertise (e.g. HR, legal, marketing)

	Year 0		Year 1				Year 2				Year 3				Days	
	2013/14		2014/15				2015/16				2016/17					
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Internal	External
Operational Alignment																
Operational Review	■	■													5	
Agree service configuration		■													3	2
Efficiencies implemented			X												5	
Museums acting as one business			■	■	■	■	■	■	■							
Operational Review 2								X							5	
Agree core processes & interfaces									■	X					3	3
People																
Shadow Board recruit		■	X												5	
Strategic Focus		■													3	1
Organisation structure			■	■											3	3
Staff consultation				■	■										3	3
Partner consult					■										3	
Board recruit								X							5	
Senior Management recruit								■	■						5	5
Staff matching									■	■					5	
Plan																
5 year business plan								■	■	X					5	5
Legals																
Creation of new vehicle scoped						■									3	
Heads of Terms								X							3	1
Operating Agreement with funders									■	■					5	
Company formation										X					1	
Business Transfer Agreement												X			3	3
Regulatory compliance											■					3
Comms																
Project comms plan	■	X													5	
Project comms			■	■	■	■	■	■	■	■	■	■	■	■	24	
Launch Marketing								■	■						3	3
Go live launch												X			4	
Notes															<u>109</u>	<u>32</u>

Milestones at the end or completion of a process marked by X

8.2 Implementation Checklist

A check list of key issues to consider is recorded below, see Appendix 7 for a detailed list of key transition issues:

Category	Item
Board	<ul style="list-style-type: none"> • Governance parameters • Recruitment • Strategic planning • Performance measurement/management
Team	<ul style="list-style-type: none"> • Restructure • Leadership • Communications • Morale • Cultural change • TUPE • Pensions

Category	Item
Enterprise	<ul style="list-style-type: none"> • Focus • Investment • Implementation
Delivery	<ul style="list-style-type: none"> • Form • Geography • Process
Marketing	<ul style="list-style-type: none"> • Positioning • Implementation
Finance	<ul style="list-style-type: none"> • Asset ownership • Asset maintenance • Internal Audit • External Audit • Budget • Capital budget
Risk Management	<ul style="list-style-type: none"> • Transition risks • New organisations risks • Risk register • Risk management
Interface Management	<ul style="list-style-type: none"> • Council strategic relations • Torquay Museum Society • Brixham Heritage Museum Trustee Board • HR • Finance • IT • Property • Marketing • External partners and suppliers
Change process	<ul style="list-style-type: none"> • Transition project management • Transition budget
Legals	<ul style="list-style-type: none"> • Activities • Assets • Liabilities • Contracts • Intellectual property rights • Employees • Equipment • Furniture and fittings • Lease/property • Transfer date • Tax • Compliance • Charitable status

8.3 The New Vehicle

The recommendations identify that an incorporated, charitable company limited by guarantee is the most appropriate vehicle for the museums in Torbay (see appendix 5 for a more detailed summary of the options available). This is the form most commonly used by both long standing independent cultural organisations

(such as SS Great Britain) and those museum services which have recently been reprovisioned by local authorities (e.g. Birmingham Museums Trust).

The fact this it is incorporated will provide reassurance to potential trustees and staff about any liabilities that the new vehicle might generate or inherit (such as pension liabilities). The charitable status of the vehicle may provide a number of financial benefits as currently realised by Torquay and Brixham Museums.

8.4 Organisational Ownership and Control

The new vehicle will be governed by a Board of non-executive directors, with an executive team reporting to this Board. The existing governing bodies of the three museums should not comprise more than 20% of the membership of the Company as that may indicate control and expose them to future liabilities. The majority of comparator organisations we looked at had two local authority nominated board members, and it would seem appropriate for each of the existing governing bodies to have two representatives on the new board

We would recommend a minimum of six additional trustees, including an independent chair, are appointed. They should include representatives of local communities, businesses and key stakeholders, and have a range of relevant experience and skills (see appendix 6 for further details on the appointment of trustees). The governing bodies will also be able to influence the Company by way of the service agreement.

The day to day management of the Company will be exercised by the senior management team under the direction of the board of directors. The Chief Executive of the Company should be an executive member of the Board of directors. Other members of the senior management team may be directors if required. Ideally the non-executive directors should outnumber the executive directors.

Torbay Council and Torquay Museum Society have indicated that they wish to retain ownership of their buildings and collections. Comparator organisations, such as the Birmingham Museums Trust and Coventry's Heritage and Arts Trust, have moved out of local authority control recently, with the local councils retaining ownership of the collections and buildings. Therefore there is no reason why a similar approach should not be adopted in Torbay with the existing governing bodies retaining ownership of key assets where appropriate, but giving the new vehicle sufficient management freedoms to sweat the assets effectively through a service level agreement agreeable both to the existing governing bodies of the three museums and the emerging Shadow Board.

8.5 Delivery

We would recommend that the complete day to day management and operation of the three museums is transferred to the new vehicle. This has been the approach adopted in the vast majority of the various comparator organisations we have looked at such as the Birmingham Museums Trust, the Luton Culture Trust and the Coventry Heritage and Arts Trust. Discussions with comparator organisations, and our own wide ranging experience, demonstrates that leaving a mixed economy of

service delivery between the existing governing bodies, the new vehicle and potentially third parties, would be difficult and resource intensive to manage.

The creation of an incorporated, charitable company to deliver the three museums in Torbay will have a number of significant benefits, these include:

- It will allow the three museum sites to work together in a genuinely joined up way in such areas as programming, marketing and collections management. Thereby enabling a better use of resources and a tighter focus on a small number of priorities.
- The new trust will provide a single point of contact for engagement with the public. The development of a single brand will encourage strengthened relationships and potentially an increase in income.
- A single vehicle will ensure a single approach to areas such as admission charges.
- The approach will also provide a single point of contact for both local and national stakeholders. This is particularly pertinent with funders such as HLF and ACE who both are requiring cohesive and consistent local approaches with clearly prioritised expectations around investment.
- The greater critical mass provided by bringing the three museums together will also strengthen Torbay's position when attempting to negotiate partnerships with major regional museums, nationals and international organisations. Evidence suggests that such partners will feel more inclined to allow loans and make significant exhibitions available.

8.6 Organisational Culture

Any move to a new delivery vehicle and greater management freedoms can only be successful if the move is accompanied by a corresponding cultural change amongst staff. This need has been evidenced by our recent engagement with museum services such as Walsall, Birmingham and Tyne and Wear.

We acknowledge that there is some good work and innovative practice already taking place across the three museums, the exhibition programme at Torquay Museum being a case in point, however a significant cultural shift is still required in some form or another at each of the three museums. Engendering such a change is not straightforward and varies from place to place depending on local circumstances. However the very nature of a move to a new independent organisation, with the accompanying need for processes such as TUPE is likely to generate a change in personnel and approach.

We would also recommend that more proactive approaches are considered in the period up to and soon after the move to trust. These could include:

- Create an environment and mechanism where new ideas and innovation are encouraged and collected from all staff and volunteers.
- Set up a diagonal slice team from across the three organisations, involving staff, full time and part time, volunteers and potentially friends groups. This group can act as a test group for new ideas and opportunities.
- Set all members of staff enterprise related targets, whether this is increasing donations for those who work front of house, to increasing income levels generated by collections for curatorial staff.

Appendix 1 – Project Process

The evidence gathering aspect of the project involved work in four areas:

- Contextual Analysis;
- Stakeholder Engagement;
- Comparator Analysis;
- Financial Baselineing.

A brief summary of the scope and scale of three aspects of the evidence gathering work is included below.

Contextual Analysis

The following documentation was considered:

1 Torbay Council Information

- 1.1 Community Plan 2011+
- 1.2 Corporate Plan 2010+
- 1.3 Torbay Heritage Strategy 2011
- 1.4 Copy of Heritage Action Plan (Evidence Base)
- 1.5 Arts Strategy
- 1.6 Options appraisal version 6
- 1.7 Future Museums Project Fundraising Strategy

2 Torquay Museum Information

- 2.1 Torquay Museum Business Plan
- 2.2 Torquay Museum Needs Assessment
- 2.3 Organogram
- 2.4 2013 – 08 Organogram
- 2.5 2013 PA – Phil Collins
- 2.6 Acquisitions and Disposal Policy
- 2.7 Articles of Association document
- 2.8 Budget Revision Final
- 2.9 Documentation and Conservation Plan 2013 – 16
- 2.10 Happy Museum Project Application.
- 2.11 K Boot Esmee Report
- 2.12 Marketing Strategy 2010 – 11
- 2.13 Memorandum and Articles of Association
- 2.14 Torquay Museum Society News
- 2.15 Torquay Museum Society Rules
- 2.16 Torquay Museum Society Annual Report

3 Torre Abbey Information

- 3.1 Torre Abbey Needs Assessment
- 3.2 Bases of Financial Projections
- 3.3 Theatres, Arts, Museums Profile
- 3.4 Torre Abbey Activity Plan
- 3.5 Torre Abbey Budget 2013/4
- 3.6 Torre Abbey Collections Development Policy

4 Brixham Museum Information

- 4.1 Brixham Planning Document
- 4.2 Brixham Needs Assessment
- 4.3 Brixham 7 Year Summary
- 4.4 Brixham AGM Accounts
- 4.5 Brixham Acquisitions and Disposals Policy
- 4.6 Brixham Administrators report to AGM
- 4.7 Brixham Chairman's report to AGM
- 4.8 Brixham Curators report to AGM
- 4.9 Brixham Curators report to AGM (2012)
- 4.10 Laws of Brixham Heritage Museum and History Society
- 4.11 Commissioning Agreement

5 Other Relevant Sites

- 5.1 Kents Cavern
General information (from <http://www.kents-cavern.co.uk>)
- 5.2 Geopark
Information from <http://www.englishrivierageopark.org.uk>

Stakeholder Engagement

Discussions took place with a wide variety of stakeholders:

1. Mary Godwin – SW Museums Relationship Manager, ACE
2. Brixham Heritage Museum – Philip Armitage, Curator; John Parr, Treasurer; Patsy Britten, Chair
3. Phil Collins – Director, Torquay Museum
4. Torbay Council – Dave Butt, Executive Member, Culture and Arts; Sue Cheriton, Executive Head for Residents & Visitor Services; Steve Hurley, Group Manager - Commissioning Partnerships & Business Development; (Simon Jutton, Torbay Lead, ACE)
5. Alan Davies – Service Lead, Theatre, Arts and Museums
6. Richard Sale – Treasurer and Trustee, Torquay Museum
7. Nick Powe – Owner/Manager, Kents Cavern
8. Gillian Westell – Chair, Friends of Torre Abbey
9. Tony Deyes – Honorary Secretary, Torquay Museum Board

10. A detailed discussion focusing on the interim plan produced by Black Radley Culture took place with the Future Museums Project Board on 25/9/13.

Financial Baseline

Using the 2013/14 budget as a baseline, a high level model of the financial situation was prepared. Results in Appendix 3.

Appendix 2: Options Analysis – Stakeholder Feedback

Stakeholder consultation must have a significant influence on the nature and shape of the recommendations. This section briefly sets out the main issues which emerged from the stakeholder engagement which was undertaken as part of the project.

Operational:

- Whilst a number of stakeholders welcomed the original options appraisal undertaken earlier this year by Devon Square Partners Limited, a sizeable number expressed concerns about the findings. Several used the term "vague" and a number of others were unclear about what the recommended option actually involved.
- Working across the three sites has been limited so far, with limited, often informal engagement.
- There is no real strategy, or forward plan currently driving activity across the museums and heritage organisations in the Borough.
- The understanding of audiences and customers across the three organisations is limited.
- The redevelopment at Torre Abbey has resulted in a high quality visitor asset, however this has not been maximised due to delays, and a lack of investment, in effective marketing.
- Torquay Museum punches above its weight with regard to the collections it owns, however it is not sweating these assets as effectively as it might.
- The Society Model currently in existence at Torquay Museum does not lend itself to running a proactive cultural organisation in a competitive market.
- Brixham Heritage Museum delivers good quality services to local people and visitors in the form of outreach, archaeological activities etc., however much of the product is in need of improvement.
- The Museum in Brixham is in danger of being isolated by the forthcoming Tesco redevelopment.
- The sites in Torquay have stronger synergies and face similar challenges, Brixham's challenges are somewhat different.
- Senior staff at Torquay Museum and Torre Abbey want to see the sites repositioned with a stronger focus on being visitor attractions rather than museums.
- A substantial cultural shift is required in some staff across all three sites.
- The Geopark is seen as a massive opportunity by the majority of stakeholders.

Political:

- There was a strong message from elected members and senior officers at Torbay Council that they would like to retain close control over Torre Abbey until 2016.
- Parts of the membership at the Society at Torquay Museum are reticent about change, and would like to retain control over the building and collections at the very least.
- The membership need to be clear about the benefits they will retain through any change in governance or operational delivery.
- The Board and staff at Brixham Heritage Museum are proud of their independence and would like to retain a substantially independent role;

however there would be an interest in joining a new vehicle containing Torquay Museum and Torre Abbey in the medium term.

- The development of a strong arts and heritage offer is seen as crucial to broadening the visitor base in Torbay by key elected members and senior officers.
- However stakeholders were clear that the future of the museums needed to be considered in the context of reducing subsidies and close control of the assets in the medium term.
- Many stakeholders felt that Kents Cavern needed to be part of the solution, even if was simply in an informal, advisory basis, though a number would prefer stronger links.
- Senior officers at Torbay recognised that if Torquay Museum were to close there would be a public, and perhaps political, expectation that the authority should take on responsibility for any collections made homeless. Such an undertaking could prove costly.

Financial:

- Senior officers and members at Torbay Council were not clear what the subsidies to Torquay Museum and Brixham Heritage Museum were actually buying for the Council.
- The subsidies being paid to all three museums by Torbay Council will come under increasing pressure and scrutiny, they cannot be guaranteed in any form beyond 2016.
- Torbay Council indicated that the subsidies paid to Torquay Museum and Brixham Heritage Museum will remain the same in 2014/15 and be reduced by 15% in 2015/16.
- Torbay Council would like to move to a more robust commissioning approach, particularly with regard to Brixham Heritage Museum.
- There is a perception amongst some stakeholders that there are sizeable efficiencies to be made across the three organisations.
- Torquay Museum has a history of loss making, the financial situation at the museum is problematic to say the least and needs to be resolved in the near future, it cannot continue in the current vein.
- Brixham Heritage Museum runs effectively on a small budget, though it is dependent on Torbay Council's subsidy for its small staffing resource.
- There is a strong message from elected members and senior offices that the subsidy to Torre Abbey should be reduced still further to around £100,000 a year.

Appendix 3: Governance Choice

Form Follows Function

A cultural sector organisation can be seen as an essentially **political** entity (compromising between competing agendas and interests); or from an **operational** viewpoint (it is there to get the job done); or from a **financial** perspective (managing budgets, achieving a socio-economic return on investment). There are tensions between these three priorities.

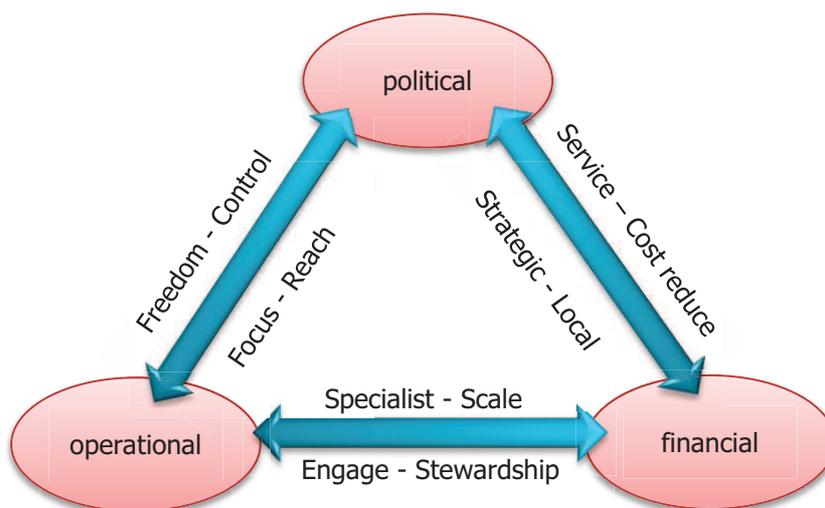


Figure 3: Choice Dimensions

For Torbay’s museums, these tensions translate into six choices as shown above. These are:

- Freedom v Control:** are we more concerned to encourage the freedom to be enterprising, or to keep Torbay’s museums under political ownership?
- Focus v Reach:** do we want the museums tightly focused and customer prioritised (e.g. focusing on specific parts of the community, such as socially deprived groups and/or communities), or a service which impacts on all citizens?
- Service v Cost-reduction:** are we looking for visible service excellence, or are we driven by the need for austerity?
- Strategic v Local:** are we more concerned about celebrating the local story of Torbay, or about seizing the opportunities provided by focusing on broader, potentially more populist areas?
- Service v Income Generation:** is the principal objective to provide a free service to customers or to develop

Engage v Stewardship:

a more commercial income generating approach?
 are the museums in the business of dynamic customer experiences, or are they principally about the stewardship of valuable public assets?

For each choice, there is a spectrum of possible answers between the two extremes.

Success Criteria

The following sections provide an account of what success might look like for Torbay museums. The analysis is based on the stakeholder views gathered by Black Radley Culture during the project, supported by the contextual review and existing knowledge of the area and the cultural sector.

The assessment builds on the choice dimensions set out above, focusing on the tensions between the financial, operational and political viewpoints. Subsequent sections then use these success criteria to select between the possible options.

Freedom v Control

Are we more concerned to encourage the freedom to be enterprising, or to keep Torbay's museums under tight political and member ownership?

Summary success criteria: *Control and Asset Ownership*

There was a strong message from both Torbay Councils politicians and the members of Torbay Society that they would like to maintain close links to the museums in the borough, both Torre Abbey and Torquay Museum. The members at Torquay museum would like to retain ownership of the museum building and the collections, though they are prepared to distance themselves from the day to day running of the organisation. Politicians at Torbay Council are very keen to maximise the opportunities provided by the recent redevelopment of Torre Abbey and therefore would like to retain significant control in the short and medium terms though they accept that that the site needs to be given more freedom and flexibility if it is to become sustainable in the long term.

Brixham Heritage Museum already enjoys significant independence, and key players within the organisation would like to retain that independence. However these key players would also consider joining a broader vehicle containing the Torbay museums in the medium term.

Focus v Reach

To what extent should the museums in Torbay be focused on a small set of customers or activities?

Summary success criteria: *Tight Focus*

Ideally, considering the relatively small size of the three organisations involved, the museums in Torbay would not attempt to be all things to all

people but settle on a small number of key points of focus that have powerful appeal. For instance, the museums (1) focus on developing a strong product to the existing visitors to Torbay; (2) work with the Mayor and other politicians in the Borough to contribute to the development of a high quality cultural offer which will diversify the existing visitor base to the Borough; and (3) target services towards particular parts of the local community, in agreement with Torbay Council.

As part of this process it is crucial that the museums and Torbay Council are clear what (if any) support and/or subsidy from the Council is available and what that subsidy is purchasing/commissioning.

Service v Cost-reduction

Should the museums in Torbay be about enhancing the service, or about reducing costs?

Summary success criteria: *More efficient and enterprising*

Torbay Council is facing up to a very challenging financial situation, funding for non-statutory services is under huge pressure, and many grants to other culture, leisure and tourism organisations are being cut completely. Therefore the subsidies given to the three museums are under increasing scrutiny, and are likely to reduce. There is also a perception amongst senior officers and members at the Council that there is a degree of waste across parts of the three organisations.

Other sources of public funding are under similar pressures. Also, whilst Brixham Heritage Museum is a well-run organisation financially, Torquay Museum has a history of loss making, and the current year's trading is proving difficult. The current financial position is secured by way of a short term loan from a member.

This challenging financial environment means: (1) A review of, repositioning and reduction in current levels of delivery, with a focus on cost cutting, and sharing services and resources across the sites; (2) better exploitation of current collections and sites; and (3) a strong focus on stimulating enterprise and drawing in additional funds.

Strategic v Local

Are we more concerned about celebrating the local story of Torbay, or about seizing the opportunities provided by focusing on broader, potentially more populist themes?

Summary success criteria: *Joined up, informed approach*

The three museums involved in this study are very different and, as such, currently have different areas of focus both around the stories they tell and the audiences they target. However there is limited evidence of a clear strategy driving this approach, nor is significant evidence of a concerted attempt to engage directly with local communities or visitors, nor involve them directly in service and product development.

The three organisations therefore need to develop a complementary approach to the stories they tell and the associated products and programming. This also needs to be driven by a well-informed understanding of the audiences they are attempting to target.

Service v Income Generation

Is the principal objective to provide a free service to customers or to develop a more commercial income generating approach?

Summary success criteria: *Strong commercial focus*

All the sites currently charge for admissions, and most of the programmes and products they provide are also charged for. Though there are some services, particularly from Brixham Heritage Museum, that are provided free of charge to members of the local community, though these are underwritten by grants from HLF and other funders.

Subsidies from the public sector are likely to decrease, and the competition within the leisure and culture sector for people's time and money is only going to get more intense. The financial situation at each of the museums is challenging in various degrees, both staff and stakeholders alike recognise the need for the museums to move to a more business-like approach. This means diversifying the funding base, redirecting resources to areas such as customer care and marketing and developing a targeted public programme. However moving to such an approach will be challenging in an environment of reducing public subsidies. If the product and programming is not regularly improved it will be very difficult for the museums to cope effectively in what is already a congested leisure market across Torbay.

Engage v Stewardship

Are the museums in the business of dynamic customer experiences, or are they principally about the stewardship of valuable public assets?

Summary success criteria: *Dynamic visitor attractions*

There is a clear understanding amongst senior staff and stakeholders that the three organisations, and Torquay Museum and Torre Abbey in particular, need to focus their efforts on becoming good quality visitor attractions, though this view is not necessarily shared by staff generally. Whilst this does not mean putting aside their responsibility to act as stewards for important collection and building based assets, it will lead to more resource being invested in developing dynamic customer experiences, and effective marketing and promotion. Such an approach will also result in those assets that might offer the greatest return on investment being sweated more than other less valuable assets. Difficult decisions will need to be taken concerning the collections and building in light of this approach.

Appendix 4: Success Criteria Assessment

This section uses the success criteria to assess the range of possible options.

Reminder: Success Criteria and Options

Appendix 3 set out a range of choices, the answers to which are the success or design criteria for the optimum governance model.

These criteria are:

1. Control and Asset Ownership;
2. Tight focus;
3. More efficient and enterprising;
4. Joined up, informed approach;
5. Strong Commercial Focus;
6. Dynamic Visitor Attractions.

Section 5 outlined four governance options each with one of four structural options, three operational options and three financial options. Clearly the number of possible permutations is huge.

The following tables seek to expand on each of the options to help identify the permutations that can add value:

Governance Options

<p>The three museums operating together In this option all three museums are managed by a single staff team and management arrangement. They would report to a committee which would either, depending on the structural option adopted, represent the separate interests of the three museums or be the single successor body to all three</p>
<p>Torquay Museum and Torre Abbey operating together In this scenario, Torre Abbey and Torquay Museum would come together in a Torquay focused single operation. Brixham Heritage Museum would remain completely independent, operating as a separate organisation, potentially still receiving subsidy from Torbay Council, though that would likely to be on an explicit commissioning basis.</p>
<p>The three organisations operating independently In this scenario, the museums in Torbay would continue as they are, operating independently, with ad hoc engagement and decreasing subsidies from Torbay Council.</p>
<p>A combination of some or all of the three with Kents Cavern This option would see some (most likely to be Torquay Museum and possibly Torre Abbey) of the museums form a direct relationship with Kents Cavern, this may well involve Kents Cavern taking on the running of some or all aspects of the museums. Such an option is likely to increase the potential of private investment in the sites, but may well reduce the likelihood of public sector funding.</p>

Structural Options

An informal or semi-formal partnership

This option could take a variety of forms, such as the museums working together in such areas as marketing, education and curatorial expertise. It would mean that the existing governance structures would remain.

An independent organisation, closely tied to the Council and Torquay Museum Society

In this scenario, all of the museums in Torbay would move to an independent organisation. Torre Abbey would maintain a close relationship with key senior officers and members, Torquay Museum would do the same with the Society. The governance of Brixham Heritage Museum and Torquay Museum would shift from the existing boards to that of the new organisation. Though the current Boards would expect to provide some trustee representation to the new Board.

The financial/legal interface would be determined by a rolling business plan, developed and agreed together. A longer term concordat would cover on-going relationship management, dispute resolution, and planning cycles. There would need to be elected member representation on the board(s) of trustees from the three existing governing bodies.

An independent organisation, at arm's length from the Council

In this scenario, the museums of Torbay would come together within an independent organisation which has a grant maker/grantee relationship with the likes of Torbay Council. The financial/legal interface is determined by a contract, which has a 3 to 5 year rolling budget figure. Contractual terms agreed in place to cover dispute resolution.

There would be no/low member representation on board of trustees from the existing governing bodies of the three museums.

Radical outsourcing

This option involves passing the museums of Torbay across to another business or existing independent organisation. Such a move would need to be managed under contract – therefore there would be some similarity to the arm's length option above.

Potential recipients for the museums function could include:

- Organisations such as Capita who have a track record in delivering public sector services;
- Organisations such as Madame Tussauds or Kents Cavern who have a track record in delivering visitor attractions;
- An independent museum or cultural organisation of suitable scale, such as the Tank Museum or Wigan Leisure and Culture Trust;
- Another Local Authority, likely to be nearby, such as Somerset or Dorset.

Operational Options

Ambitious/strategic – Geopark, National Centre of the Stone Age, Devon-wide cooperation

In this scenario, similar to the public sector investment option below, significant investment is made into the sector so that it plays a key role in repositioning Torbay. This will involve close links with relevant organisations such as the Geopark and Kents Cavern, and potentially partnerships with other museums across Devon and beyond.

Tactical – change locations, lateral alignments

In this option synergies will be exploited between the museums, and other potential partners in the locality, such as the prehistory story, or around educational programmes. The locations of the museums will also be reviewed, Brixham Heritage Museum's in light of the forthcoming Tesco redevelopment in the town for example.

Containment – reducing budget ceiling, volunteering model

This option is driven by the need for a reduced Council subsidy, would require a hands-on contract management approach from Council staff, putting operational pressure on the three organisations to share staff/activities. It is also likely to mean an increase in volunteering across the three sites. There will be limited opportunity to improve the product and programme in this option.

Financial Options

Public sector investment, drive visitor numbers, generate economic growth

This option links to the ambitious operational model above and might be shaped around the need to drive up overnight visits from high net worth individuals. Given the state of public sector budgets, this would probably require some form of joint venture with a private sector player (e.g. Kents Caverns). This, as a consequence, would almost certainly require the new venture to have a fair degree of freedom from the Council and Torquay Museum's members.

Reduction in Torbay Council's spend on museums

This option is similar to the containment option in the Operational area. The key focus is to reduce Council subsidy, either by cutting costs or cooperating with the private sector.

Private sector investment, coherent offer

In this scenario, private sector investment is secured to replace the reducing public sector subsidy. Such investment will require a coherent and popular offer being developed across the museums, with a strong focus on becoming visitor attractions.

Options Evaluation

The table below shows how well the various options meet the Torbay success criteria. This is a subjective assessment, based upon Black Radley’s experience elsewhere and on comparator benchmarking.

Options		Torbay Success Criteria					
		Strategic Influence and Asset Ownership	Tight strategic focus	More efficient and enterprising	Joined up, informed approach	Strong Commercial Focus	Dynamic Visitor Attractions
Governance	The three museums operating together		√	√	√		√
	Torquay Museum and Torre Abbey operating together		√		√		√
	The three organisations operating independently	√					√
	A combination of some or all of the three with Kents Cavern		√	√	√	√	√
Structural	An informal or semi-formal partnership	√					
	An independent organisation, closely tied to the Council	√			√	√	
	An independent organisation, at arm’s length from the Council		√	√		√	√
	Radical outsourcing					√	√
Operational	Ambitious/strategic – Geopark, National Centre of the Stone Age, Devon-wide cooperation		√		√	√	√
	Tactical – change locations, lateral alignments		√		√	√	
	Containment – reducing budget ceiling, volunteering model	√	√	√			
Financial	public sector investment, drive visitor numbers, generate economic growth	√	√		√	√	√
	reduction Torbay Council’s spend on museums	√		√			
	private sector investment, coherent offer		√	√		√	√

An Ambitious Interpretation

At a headline level, and counting each ticked box as having an equal weighting, we might conclude the following:

- From a governance perspective, the most effective way to deliver what Torbay wants would be for all three museums to come together with Kents Cavern;
- From a structural perspective, the greatest chance of delivering what Torbay wants would come from moving to an arm’s length, independent organisation;
- From an operational perspective, an ambitious approach to the scope and future focus of the organisation most fits the bill;
- From a financial perspective, the ideal would be for a robust public sector investment in turning the museum assets into generators of high spending visitors to the area.

Though there are some tensions between these four elements (for instance, there would be challenges in generating public sector investment in a vehicle which would, inevitably, have some level of private sector ownership or involvement), this is a compelling and potentially powerful design specification for a new approach.

A Containment Interpretation

However the ambitious approach does not fit well with the hard reality of the situation faced in Torbay. In practice, the Council's need to reduce its subsidy means the third success criteria ("more efficient and enterprising") needs to be given much higher weighting and on a short timescale.

On this basis, the conclusion might be as follows:

- From a governance perspective, the most effective way to deliver success would be for all three museums to come together with Kents Cavern;
- From a structural perspective, the greatest chance of success would come from moving to an arm's length, independent organisation;
- From an operational perspective, the management task is to optimise museum functioning within the existing scope and customer offer;
- From a financial perspective, the driver is to reduce Council subsidy, either by cutting costs or cooperating with the private sector.

A Control Interpretation

However it should be noted that the first success criteria ("strategic influence and asset ownership") is in a position to trump the rest. If Torquay Museum, Brixham Museum or Torbay Council members do not wish to concede a level of control in exchange for releasing greater enterprise, then they are well within their rights to refuse to do so.

In our judgement, this will be a significant issue. We therefore conclude that the first and third success criteria have significantly greater weight than the others, and that Torbay's broad brush specification must be as follows:

- From a governance perspective, a workable model would be for the three museums to come together under a single organisation, cooperating with others (e.g. Kents Cavern) but on a partnership basis;
- From a structural perspective, the most acceptable way to balance stakeholder interests with the possibility of greater enterprise would come from moving to an independent organisation, closely tied to the existing member structures;
- From an operational perspective, the management task is to optimise museum functioning within the existing scope and customer offer;
- From a financial perspective, the driver is to reduce Council subsidy, either by cutting costs or cooperating with the private sector.

We have based our recommendations on this conclusion.

Appendix 5 - Options Analysis – Legal/Governance Forms

This section sets out the key legal and implementation considerations around the four possible structural governance options noted in Section 5.

- An informal or semi-formal partnership;
- An independent organisation, closely tied to the existing governing bodies;
- An independent organisation, at arm's length from the existing governing bodies;
- Radical outsourcing.

Two of the possible governance options involve the museums in Torbay being delivered by a new, independent organisation(s). One of the other options, radical outsourcing, also involves the museums being delivered by an independent organisation(s) but in a different configuration. This might be an existing body or a new organisation set up by an existing body for the specific purpose of running the service. The stakeholder conversations threw up a number of potential organisations who might show an interest, these included Parkwood Leisure, and the South West Lakes Trust. There are other organisations at a national level who might be interested in such a proposition. The Wigan Leisure and Culture Trust, for instance, is already delivering services in other localities including the museum service in Cannock Chase District Council.

Incorporation

One of the decisions in determining the optimum governance option is whether any new organisation should be incorporated.

The most important benefit of incorporation is that it is possible to limit the liability of those involved in the running of the organisation whether as individuals or trustees. The possibility of unlimited liability would make the "not incorporated" options a potential blocker for some trustees.

The other benefit for incorporated organisations is the ability, as a separate legal personality, to contract in its own right.

In light of the above it is clear that, under any of the independent organisation options, incorporation is a requirement for any new delivery body.

The most common form of incorporation is as a company registered with Companies House.

Membership

Incorporation introduces the concept of an organisation owned by its members. Membership can take a number of different forms.

The most common membership structure in the cultural sector is a Company Limited by Guarantee (CLG). In this case the members, known as guarantors, undertake to contribute an amount to the company in the event of its winding up. The amount to be contributed is usually only a small nominal amount and in the

event of any actual winding up would not provide meaningful resources for the settlement of company liabilities or costs of winding up.

Under certain circumstances the guarantors of a CLG may share in the profits of the business although this is generally not the case. Consequently CLGs are frequently known as Non Profit Distributing Organisations (NPDO).

The most common membership structure in the private sector is a Company Limited by Shares (CLS). The members own shares in the company, the shares make up the company share capital. Members will share in the profits of the business.

There are three other incorporated structures which would be available to a new delivery organisation: Community Interest Company (CIC), Industrial and Provident Society (IPS) and a Charitable Incorporated Organisation (CIO).

CICs are limited companies, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a "community interest test" and "asset lock", which ensures that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the Regulator who also has a continuing monitoring and enforcement role.

An IPS is an organisation conducting an industry, business or trade, either as a co-operative or for the benefit of the community, and is registered under the Industrial and Provident Societies Act 1965. The Financial Services Authority is the registering authority for societies which register under the Act. Co-operative societies are run for the mutual benefit of their members, with any surplus usually being ploughed back into the organisation to provide better services and facilities. Societies run for the benefit of the community provide services for people other than their members. There need to be special reasons why the society should not be registered as a company.

A CIO is a relatively new structure with the aim of reducing the regulatory burden of being both a charity and company. In England it still a relatively untested form and was really designed for organisations much smaller than the museums in Torbay. There is a view that the CIO may lack public awareness and credibility, and may actually result in an organisation looking very much like a charitable company limited by guarantee.

The most appropriate membership form would seem to be a Company Limited by Guarantee or Community Interest Company. The first is more established in practice, particularly within the museums sector; with CIC compliance being a relatively untested activity.

The composition of the membership and associated voting rights will need to ensure that there is the right balance between the organisation being truly independent and Torbay Council retaining an appropriate level of influence.

Management

As with most companies the day to day affairs are managed by a specific group of individuals acting as agents of the company. The name given to this group varies. In the private sector they are known as the board of directors.

Directors can either be executive or non-executive. A non-executive director (NED) does not form part of the executive management team involved in the day-to-day running of business. NEDs challenge and monitor the executive, contribute to the development of strategy and scrutinise performance.

NEDs are also responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

In some organisations the executive and non-executive roles are spilt in two but there is a move towards unitary boards where the two types of director meet together and reach all decisions by consensus.

In determining the composition of the board of directors or trustees there will be the need to balance influence, control and commercial expertise. The comparator analysis we undertook illustrated that the majority of cultural organisations who had moved to an independent situation in recent years, have two local authority representatives sitting on their boards.

Charitable Status

Another key decision is whether the delivery organisation registers as a charity. Registration with the Charities Commission requires an organisation to have purposes that are charitable for the public benefit.

The Charities Act 2011 quotes “the advancement of the arts, culture, heritage or science” as a description of charitable purposes.

There are two key principles of public benefit.

Principle 1 - There must be an identifiable benefit or benefits:

- 1a It must be clear what the benefits are;
- 1b The benefits must be related to the aims;
- 1c Benefits must be balanced against any detriment or harm.

Principle 2 – Benefit must be to the public, or section of the public:

- 2a The beneficiaries must be appropriate to the aims;
- 2b Where the benefit is to a section of the public the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions;
- 2c People in poverty must not be excluded from the opportunity to benefit;
- 2d Any private benefits must be incidental.

It seems clear that any independent delivery organisation could serve a purpose that is for the public benefit.

One of the benefits of charitable status is the ability to take advantage of tax exemptions. The costs of charitable status are restrictions on certain trading activities and compliance costs. Compliance costs are not onerous requiring annual submissions to the Charity Commission.

Assets

The key assets of the museums (e.g. premises and collections) may be owned by one organisation and the service delivered by another. Stakeholder conversations indicate that Torbay Council and Torquay Museum Society will want to retain ownership of these assets to protect them for community benefit. Almost all local authorities who have devolved parts or all of their museum services in the last few years have kept responsibility for such assets as collections and buildings.

Any such arrangement would require a binding agreement specifying the rights and responsibilities of the current owners and the independent organisation.

This arrangement removes the (emotive) charge that, in establishing an independent trust, the Council is "selling the family silver". Should the relationship break down, Torbay Council and Torquay Museum Society would be in a position to find an alternative means of providing stewardship for its assets.

Service Level Agreements

If the Museums were transferred to an independent organisation there would be a number of key interfaces with Torbay Council and Torquay Museum Society. The most important of these would be the agreement determining the levels and standards of service which the delivery organisation would be required to meet. The existing governing bodies would need to have levers to hold the delivery organisation to account and ensure that these service outcomes were being met whilst enabling the delivery organisation to be innovative and commercial.

Staff

It is likely that any transfer of business and services to a new organisation will represent a TUPE transfer. TUPE is the acronym for the Transfer of Undertakings Protection of Employment Act.

In a TUPE transfer all the staff relating to the business are transferred to the new or acquiring organisation on their existing terms and conditions. The independent organisation will be able to restructure its workforce, make redundancies and change terms & conditions, post transfer but only if there are 'economic, technical or organisational' reasons for doing so.

If the staff do transfer to a new organisation there would be significant liabilities transferring with them. These would include certain liabilities such as pensions and contingent liabilities such as redundancy payments. The delivery organisation would require cover for these liabilities. In such recent devolution processes as the creation of the Heritage and Arts Trust in Coventry, the need to quantify, manage and underwrite such liabilities has been an important learning point.

Another option would be for the staff to remain employees of their existing organisations and be seconded to the delivery organisation. This avoids the issues with liabilities outlined above but may not achieve the right independent culture.

Appendix 6 - Trustee Skills and Appointment

The Charity Commission document CC3 'The Essential Trustee' contains the following guidance:

Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. The principles and main duties are the same in all cases.

- Trustees have and must accept ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

Compliance - Trustees must:

- Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports on what it has achieved and Annual Returns and accounts as required by law.
- Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.
- Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.
- Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

Duty of prudence - Trustees must:

- Ensure that the charity is and will remain solvent.
- Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.
- Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.
- Take special care when investing the funds of the charity, or borrowing funds for the charity to use.

Duty of care - Trustees must:

- Use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.
- Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

The first and possibly most important stage of the trustee recruitment process is to agree skills and experience that are required by the trustees. The board of trustees needs the right balance of skills and experience and appointments should be made explicitly to ensure this. Other Museum Trusts who have recently secured independence have focused on bringing in such skills and experience as:

- Financial Management;
- Legal experience;
- Experience of working in and running commercial organisations;
- Understanding of local businesses;
- Background in, and understanding of, the wider cultural and creative sector;
- Links to Academia;
- Enterprise and Fundraising;
- Working with, or in, the media;
- The broader public sector;
- Health sector.

Some, or all, of these may have relevance to any process in Torbay. However the local context, and the likely priorities and direction of any new organisation will dictate the skills mix required.

It may be wise to recruit a small core of trustees at an early stage in the transition process, who can then help define and establish the new entity. A second tranche of trustees can be recruited once the organisation is ready to start.

Appendix 7: Key Transition Issues

Assets

The ownership of the main assets of the museums, the premises and collections and the roles and responsibilities of all parties in using them will need to be covered by the service agreement.

Support timescale

In order to commit to delivering the services of the museums, any independent delivery organisation will need to know the period of time for which Torbay Council and other stakeholders are willing to provide funding and also the level of that support.

Ideally, this commitment would be associated with an agreed, rolling business plan of pre-determined length (e.g. 5 years), refreshed annually.

Liabilities

When the independent delivery organisation is established it is unlikely to have significant levels of reserves. Therefore it will not be able to take on significant liabilities, real or contingent. This has particular relevance to the financial situation facing Torquay Museum. On-going liabilities such as the pension deficit relating to the previous Director will need to be considered and dealt with before any formal move to a new vehicle can be confirmed. The main liabilities that would definitely crystallise in some form are pensions for staff.

The more contingent liabilities relate to redundancy costs if there was the need to reduce staff and premises costs relating to maintenance and/or refurbishment.

Staffing

Any acquiring organisation will need assurance that the workforce transferred will not hinder the delivery of an effective service within the agreed financial parameters. Torbay Council, Brixham Heritage Museum and Torquay Museum may need to carry out staff restructuring pre transfer to ensure that this is the case.

Termination

The transfer agreement needs to cover the eventuality of the any party wishing to terminate the arrangement.

Interface Management

Any new governance arrangement results in internal or external interfaces that have to be managed effectively. The organisation will need to manage its interfaces with people, functions and organisations which are outside of the organisation. These interfaces will be specified before the organisation moves to any new governance arrangement.

From a governance point of view, the key interfaces are:

- With the citizen (levels of service);

- With Torbay Council contract management;
- With Torquay Museum Society contract management;
- With other public services;
- With any culture/heritage policy function;
- With support functions;
- With Torbay Council political structures;
- With Torbay Council strategic planning/budgeting;
- With partners/competitors.

For each interface, the **ask, offer** and **quality assurance** (including penalty) processes need to be understood by the parties involved.

The process of defining these interfaces will be a major aspect of the transition process. Some elements of the interface will necessarily be included in a legal contract (e.g. for the management of assets). Others should be encapsulated in a Service Level Agreement or other less binding concordat, which helps set parameters around how the parties should work together and what they can expect of each other.

Appendix 8: Options Analysis - Financial Assessment

Future costs and income

Any reconfiguration or change of service will trigger additional costs. The most obvious of these would be termination costs payable to staff on redundancy. The other major potential liability would be any grant funding received by any of the three museums with conditions attached. If any of the conditions ceased to be fulfilled then the grant may become repayable.

A formal due diligence process would need to take place to ensure that the governing bodies of all three museums were fully sighted on any immediate financial implications of restructuring. At a minimum the due diligence process should review all contracts including staff contracts, leases, funding agreements and documentation relating to legacies and bequests.

Finance under current governance

Under the current governance arrangements replacing the Torbay Council grant by way of making cost savings and generating additional income will not be straightforward.

Cost savings can only be realised in a limited number of ways:

- Increasing productivity, fewer staff are required to deliver the existing level of service to customers;
- Reducing the level service offered and thereby reducing the number of staff required to deliver the service;
- Reducing the number of buildings occupied to achieve economies of scale;
- Reducing the number of artefacts maintained to reduce storage costs and the number of staff who maintain them;
- Bringing operations together to achieve economies of scale.

Given the importance of staff costs Black Radley Culture have compiled the following table showing the number of staff employed by role in each of the three organisations.

Staff Role	Torre Abbey	Torquay Museum	Brixham Museum	Total
Management	0.4	1.2	0.3	1.9
Facilities	1	1.3		2.3
Curatorial	0.6	0.8	0.3	1.7
Education	1			1
Gardens	2			2
Marketing		0.6		1
Customer Service	2.5	0.7	0.8	4
Retail		0.5		0.5
Project	0.8			0.8
Finance & admin	0.7	0.4	0.4	1.5
IT		0.3		0.3
Total headcount	9.0	5.8	1.8	16.5

These figures are not precise; assumptions have been made on the time spent on different roles by certain individuals and the treatment of seasonal staff.

As noted earlier the level of staffing is lean.

Review of Initial Options Appraisal

The initial options appraisal makes reference to ‘obvious potential savings’ (s 2.3). Section 3.3 of the report goes on to list the areas where sharing costs and services could have a financial benefit as:

- Programming
- Education and outreach
- Curatorial
- Retail
- Fundraising
- Marketing
- Customer Service
- Back Office

One of the recommendations of the report in section 3.7 is to ‘test and tease out the nature and most importantly potential value of cost savings’. This Black Radley Culture report attempts to do just that.

Although section 3.3 of the report cites Back Office as one of the areas where costs might be saved section 4.6 the report quotes:

The prevailing economic wisdom is that three organisations could come together and operate their services with substantial savings. The most sizeable potential saving is around that of office administration, book-keeping and accounts, payroll and financial reporting. However such logic is both a fallacy and a gross over simplification.

The report is correctly flagging that significant back office savings will be difficult to achieve.

Black Radley Culture approach

The potential savings from each of the areas identified in the initial options appraisal report are further explored in the table below.

Savings caption	Black Radley Culture commentary
Programming	Synergy around programming may well improve the customer experience and support cross selling of products.
Education and outreach	Both Torquay Museum and Torre Abbey employ an Education Officer, the TQM post is funded by ACE. In the museum this post raises £7k of income; it is not clear how much income is raised by this post in the abbey. Given the function appears to make a loss; savings could be made by ceasing altogether.
Curatorial	The majority of curatorial spend comprises spend by Torre Abbey. Although expertise could perhaps be shared more effectively any change in governance will not reduce significantly the curatorial work required. Possible savings with a more robust approach to prioritising curatorial activity.
Retail	Under any governance arrangement the shops would remain separate although there may be opportunities for better purchasing. A more enterprising and commercial approach should be able to increase net income.
Fundraising	Torquay Museum employ a part time funding officer, paid for by ACE grant, who is responsible for fundraising.
Marketing	A large proportion of these costs (£23k) comprise publicity advertising incurred by Torre Abbey. Reducing marketing spend may impact visitor numbers. Possible savings on better co-operation with marketing, but ideally some of this should be reinvested to increase the profile and attract more visitors.
Customer Service	Customer service is a critical part of the service offer. Any savings in the customer service caption which had a detrimental impact on the customer experience could be false economy.
Back Office	Staffing is lean and so there appears to be little scope for savings.

As noted above the following captions which may show financial benefit on a new governance arrangement such as an independent trust

Savings caption	Black Radley Culture commentary
Enterprise Dividend	There are shops at Torre Abbey and Torquay Museum and a café at Torquay Museum and a contracted out café at Torre Abbey. A more enterprising and commercial approach should be able to increase both gross and net revenue.
Taxes	From the financial information supplied to Black Radley Culture it is not clear how much the organisations pay in rates apart from Torquay Museum paying £7,600.

Philanthropic income	Of the three sites only Torre Abbey is under council control but even so the formation of a new independent trust with an exciting and innovative offer to customers may be able to stimulate higher levels of philanthropic income.
Central costs	Again only applies to Torre Abbey and as noted earlier any new body would have to resource the services previously provided by Torbay Council.
Governance costs	The level of governance costs are a function of the precise structure being adopted. Torquay and Brixham Museums are already registered charities so some compliance costs should be built into existing budgets

Appendix 9: Modelling Approach

Income and Expenditure

Black Radley Culture has taken the income and expenditure budgets, adjusted for current performance where applicable, for the three organisations for 2013/14 and prepared financial scenarios for future models as outlined in section 6. Models 1 and 2 involve the three museums remaining as separate organisations whilst models 3 and 4 involve the three museums combining to form a single entity.

Each model uses high level assumptions in relation to a number of critical account captions. These are not in any sense predictive but are designed to show how the financial scenario might change in the light of the assumptions. Clearly there must be sound rationale for the assumptions. To enable the models to be compared the level of Torbay Council subsidy is the same for all four models. The subsidy remains at the current level for 2014/15 but reduces by 15% in each of years 2 and 3, 2015/16 and 2016/17.

The assumptions are based on a percentage of existing income or expenditure amounts rather than absolute to give an idea of the relative movement. It is self-evident that reducing expenditure and increasing income is going to be challenging, requiring some very tough decisions by both management and Boards.

The models do not include inflation; building in inflationary increases into the model creates more complexity and can mask the impact of bigger changes such as the key driver of reducing Council subsidy. The model therefore does not allow for inflation in any of the factors: either income or expenditure.

Income Assumptions

	Model 1	Model 2	Model 3	Model 4
Admission income & gift aid	No change	Increases by 5% in each of the three years, due increase in volumes	Reduces by 5% in each of the three years, due to reduction in volumes	Increases by 5% in the first two years and by 10% in year 3, due to increase in volumes
ACE, HLF and Happy Museum grant	Grant income cease in line with agreed period of funding			
Other grants	Grant income remains constant for three years, not unrealistic as new grant income sources may be accessed			
Fundraising	No change	No change	No change	Increases by 5% in each of the three years
Trading	No change	Increases by 5% in each of the three years	No change	Increases by 5% in the first two years and by 10% in year 3
Subscriptions	No change		Ceases in year 3 on formation of new entity.	
Transfer from reserves	No further transfer after 2013/14			

	Model 1	Model 2	Model 3	Model 4
Rents	No change			
Investment	Reduces by £4k in year 1 representing the income attributable to TQM.			

Expenditure Assumptions

	Model 1	Model 2	Model 3	Model 4
Payroll	Reduces by 5% in each of the first two years for TA and TQM		Reduces by 10% in each of the first two years. £9k of termination costs provided	
ACE, HLF and Happy Museum payroll and projects costs	Grant funded activity ceases in line with cessation of income. No termination costs provided.			
Fees	No change			
Establishment	No change			
Trading	No change	Increases by 5% in each of the three years	No change	Increases by 5% in the first two years and by 10% in year 3
Admin/society	Reduces by 5% in each of the first two years		Reduces by 10% in each of the first two years and by 75% in year 3 on formation of the new entity	
Curatorial	Reduces by 5% in each of the first two years		Reduces by 10% in each of the first two years	
Engagement/marketing	Reduces by 5% in each of the first two years		Reduces by 10% in each of the first two years	
Exhibitions	No change			
Education & outreach	No change			
Other	No change			
Governance costs	Not applicable		£5k provided in year 3 to cover additional costs of forming the new entity	
Central costs	No change		£20k provided in year 3 to resources activities previously provided by Torbay Council to TA. These activities are currently present within the TQM and BXM organisations.	
Capital	No change			

The following tables show the income and expenditure accounts generated by the assumptions. For models 2 and 3, the accounts are for the three museums separately for models 3 and 4 for one combined entity.

Model 1 – Remaining separate and cut costs

Torre Abbey

Torre Abbey	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	83,000		83,000		83,000		83,000
Fundraising	1,000		1,000		1,000		1,000
Trading	54,500		54,500		54,500		54,500
Transfer from reserves	22,865	(22,865)	0		0		0
Rents	40,000		40,000		40,000		40,000
Total income not including Council subsidy	201,365	(22,865)	178,500	0	178,500	0	178,500
Payroll	(201,700)	10,085	(191,615)	9,581	(182,034)		(182,034)
Fees	(5,000)		(5,000)		(5,000)		(5,000)
Establishment	(75,600)		(75,600)		(75,600)		(75,600)
Trading	(22,500)		(22,500)		(22,500)		(22,500)
Admin/society	(6,400)	320	(6,080)	304	(5,776)		(5,776)
Curatorial	(24,365)	1,218	(23,147)	1,157	(21,989)		(21,989)
Engagement/marketing	(23,500)	1,175	(22,325)	1,116	(21,209)		(21,209)
Other	(7,300)		(7,300)		(7,300)		(7,300)
Total expenditure	(366,365)	12,798	(353,567)	12,158	(341,408)	0	(341,408)
Operating deficit	(165,000)		(175,067)		(162,908)		(162,908)
Torbay Council subsidy	165,000		165,000		140,250		119,213
Net (deficit)/surplus	0		(10,067)		(22,658)		(43,696)

The cost cutting is not sufficient to offset the combined effect of the loss of transfer from reserves in 2014/15 and the deduction of Torbay Council subsidy over the following two years.

Torquay Museum

Torquay Museum	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	99,000		99,000		99,000		99,000
ACE grant	140,000		140,000	(140,000)	0		0
HLF	39,500	(39,500)	0		0		0
Happy Museum	20,000	(20,000)	0		0		0
Other grants	9,500		9,500		9,500		9,500
Fundraising	48,000		48,000		48,000		48,000
Trading	44,500		44,500		44,500		44,500
Subscriptions	14,000		14,000		14,000		14,000
Investment	4,000	(4,000)	0		0		0
Total income not including Council subsidy	418,500	(63,500)	355,000	(140,000)	215,000	0	215,000
Payroll	(170,000)	8,500	(161,500)	8,075	(153,425)		(153,425)
ACE payroll	(113,000)		(113,000)	113,000	0		0
Happy Museum payroll	(14,000)	14,000	0		0		0
ACE project	(33,000)		(33,000)	33,000	0		0
HLF project	(39,500)	39,500	0		0		0
Happy Museum spend	(6,000)	6,000	0		0		0
Fees	(28,200)		(28,200)		(28,200)		(28,200)
Establishment	(80,700)		(80,700)		(80,700)		(80,700)
Trading	(12,000)		(12,000)		(12,000)		(12,000)
Admin/society	(9,000)	450	(8,550)	428	(8,123)		(8,123)
Curatorial	(4,000)	200	(3,800)	190	(3,610)		(3,610)
Engagement/marketing	(7,000)	350	(6,650)	333	(6,318)		(6,318)
Exhibitions	(13,300)		(13,300)		(13,300)		(13,300)
Education & outreach	(2,000)		(2,000)		(2,000)		(2,000)
Capital	(3,000)		(3,000)		(3,000)		(3,000)
Total expenditure	(534,700)	69,000	(465,700)	155,025	(310,675)	0	(310,675)
Operating deficit	(116,200)		(110,700)		(95,675)		(95,675)
Torbay Council subsidy	76,500		76,500		65,025		55,271
Net (deficit)/surplus	(39,700)		(34,200)		(30,650)		(40,404)

The cost cutting is not sufficient to offset the loss of Torbay Council subsidy and the 2013/14 forecast deficit is basically maintained for the three subsequent years.

Brixham Museum

Brixham Museum	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	9,156		9,156		9,156		9,156
Other grants	16,846		16,846		16,846		16,846
Fundraising	7,875		7,875		7,875		7,875
Trading	6,348		6,348		6,348		6,348
Subscriptions	2,441		2,441		2,441		2,441
Rents	96		96		96		96
Investment	367		367		367		367
Total income not including Council subsidy	43,129	0	43,129	0	43,129	0	43,129
Payroll	(33,717)		(33,717)		(33,717)		(33,717)
Fees	(100)		(100)		(100)		(100)
Establishment	(7,526)		(7,526)		(7,526)		(7,526)
Trading	(2,739)		(2,739)		(2,739)		(2,739)
Admin/society	(2,047)	102	(1,945)	97	(1,847)		(1,847)
Curatorial	(1,291)	65	(1,226)	61	(1,165)		(1,165)
Engagement/marketing	(4,891)	245	(4,646)	232	(4,414)		(4,414)
Education & outreach	(1,762)		(1,762)		(1,762)		(1,762)
Other	(297)		(297)		(297)		(297)
Total expenditure	(54,370)	411	(53,959)	391	(53,568)	0	(53,568)
Operating deficit	(11,241)		(10,830)		(10,439)		(10,439)
Torbay Council subsidy	20,000		20,000		17,000		14,450
Net (deficit)/surplus	8,759		9,170		6,561		4,011

The cost cutting is not sufficient to offset the loss of Torbay Council subsidy but even so a surplus is still incurred for all three years.

Given Brixham's low staff levels no payroll reductions have been assumed.

Model 2 – Remaining separate, cut costs and achieve enterprise dividend
Torre Abbey

Torre Abbey	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	83,000	4,150	87,150	4,358	91,508	4,575	96,083
Fundraising	1,000		1,000		1,000		1,000
Trading	54,500	2,725	57,225	2,861	60,086	3,004	63,091
Transfer from reserves	22,865	(22,865)	0		0		0
Rents	40,000		40,000		40,000		40,000
Total income not including Council subsidy	201,365	(15,990)	185,375	7,219	192,594	7,580	200,173
Payroll	(201,700)	10,085	(191,615)	9,581	(182,034)		(182,034)
Fees	(5,000)		(5,000)		(5,000)		(5,000)
Establishment	(75,600)		(75,600)		(75,600)		(75,600)
Trading	(22,500)		(22,500)		(22,500)		(22,500)
Admin/society	(6,400)	320	(6,080)	304	(5,776)		(5,776)
Curatorial	(24,365)	1,218	(23,147)	1,157	(21,989)		(21,989)
Engagement/marketing	(23,500)	1,175	(22,325)	1,116	(21,209)		(21,209)
Other	(7,300)		(7,300)		(7,300)		(7,300)
Total expenditure	(366,365)	12,798	(353,567)	12,158	(341,408)	0	(341,408)
Operating deficit	(165,000)		(168,192)		(148,815)		(141,235)
Torbay Council subsidy	165,000		165,000		140,250		119,213
Net (deficit)/surplus	0		(3,192)		(8,565)		(22,022)

The cost cutting is not sufficient to offset the combined effect of the loss of transfer from reserves in 2014/15 and the deduction of Torbay Council subsidy over the following two years even with the additional income realised by the enterprise dividend.

Torquay Museum

Torquay Museum	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	99,000	4,950	103,950	5,198	109,148	5,457	114,605
ACE grant	140,000		140,000	(140,000)	0		0
HLF	39,500	(39,500)	0		0		0
Happy Museum	20,000	(20,000)	0		0		0
Other grants	9,500		9,500		9,500		9,500
Fundraising	48,000		48,000		48,000		48,000
Trading	44,500	2,225	46,725	2,336	49,061	2,453	51,514
Subscriptions	14,000		14,000		14,000		14,000
Investment	4,000	(4,000)	0		0		0
Total income not including Council subsidy	418,500	(56,325)	362,175	(132,466)	229,709	7,910	237,619
Payroll	(170,000)	8,500	(161,500)	8,075	(153,425)		(153,425)
ACE payroll	(113,000)		(113,000)	113,000	0		0
Happy Museum payroll	(14,000)	14,000	0		0		0
ACE project	(33,000)		(33,000)	33,000	0		0
HLF project	(39,500)	39,500	0		0		0
Happy Museum spend	(6,000)	6,000	0		0		0
Fees	(28,200)		(28,200)		(28,200)		(28,200)
Establishment	(80,700)		(80,700)		(80,700)		(80,700)
Trading	(12,000)	(600)	(12,600)	(630)	(13,230)	(662)	(13,892)
Admin/society	(9,000)	450	(8,550)	428	(8,123)		(8,123)
Curatorial	(4,000)	200	(3,800)	190	(3,610)		(3,610)
Engagement/marketing	(7,000)	350	(6,650)	333	(6,318)		(6,318)
Exhibitions	(13,300)		(13,300)		(13,300)		(13,300)
Education & outreach	(2,000)		(2,000)		(2,000)		(2,000)
Capital	(3,000)		(3,000)		(3,000)		(3,000)
Total expenditure	(534,700)	68,400	(466,300)	154,395	(311,905)	(662)	(312,567)
Operating deficit	(116,200)		(104,125)		(82,196)		(74,947)
Torbay Council subsidy	76,500		76,500		65,025		55,271
Net (deficit)/surplus	(39,700)		(27,625)		(17,171)		(19,676)

The cost cutting is not sufficient to offset the loss of Torbay Council subsidy even with the additional income realised by the enterprise dividend and a deficit is incurred for all three years although slightly reduced from the 2013/14 level.

Brixham Museum

Brixham Museum	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	9,156	458	9,614	481	10,094	505	10,599
Other grants	16,846		16,846		16,846		16,846
Fundraising	7,875		7,875		7,875		7,875
Trading	6,348	317	6,665	333	6,999	350	7,349
Subscriptions	2,441		2,441		2,441		2,441
Rents	96		96		96		96
Investment	367		367		367		367
Total income not including Council subsidy	43,129	775	43,904	814	44,718	855	45,573
Payroll	(33,717)		(33,717)		(33,717)		(33,717)
Fees	(100)		(100)		(100)		(100)
Establishment	(7,526)		(7,526)		(7,526)		(7,526)
Trading	(2,739)	(137)	(2,876)	(144)	(3,020)	(151)	(3,171)
Admin/society	(2,047)	102	(1,945)	97	(1,847)		(1,847)
Curatorial	(1,291)		(1,291)	65	(1,226)		(1,226)
Engagement/marketing	(4,891)	245	(4,646)	232	(4,414)		(4,414)
Education & outreach	(1,762)		(1,762)		(1,762)		(1,762)
Other	(297)		(297)		(297)		(297)
Total expenditure	(54,370)	210	(54,160)	250	(53,910)	(151)	(54,061)
Operating deficit	(11,241)		(10,256)		(9,192)		(8,488)
Torbay Council subsidy	20,000		20,000		17,000		14,450
Net (deficit)/surplus	8,759		9,744		7,808		5,962

The cost cutting is not sufficient to offset the loss of Torbay Council subsidy even with the additional income from the enterprise dividend but even so a surplus is still incurred for all three years.

Model 3 – Coming together, stakeholder differences unresolved, no enterprise dividend

Single entity

Combined entity	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	191,156	(9,558)	181,598	(9,080)	172,518	(8,626)	163,892
ACE grant	140,000		140,000	(140,000)	0		0
HLF	39,500	(39,500)	0		0		0
Happy Museum	20,000	(20,000)	0		0		0
Other grants	26,346		26,346		26,346		26,346
Fundraising	56,875		56,875		56,875		56,875
Trading	105,348		105,348		105,348		105,348
Subscriptions	16,441		16,441		16,441	(16,441)	0
Transfer from reserves	22,865	(22,865)	0		0		0
Rents	40,096		40,096		40,096		40,096
Investment	4,367	(4,000)	367		367		367
Total income not including Council subsidy	662,994	(95,923)	567,071	(149,080)	417,991	(25,067)	392,924
Payroll	(405,417)	40,542	(364,875)	36,488	(328,388)		(328,388)
Termination costs	0	(9,000)	(9,000)		(9,000)		0
ACE payroll	(113,000)		(113,000)	113,000	0		0
Happy Museum payroll	(14,000)	14,000	0		0		0
ACE project	(33,000)		(33,000)	33,000	0		0
HLF project	(39,500)	39,500	0		0		0
Happy Museum spend	(6,000)	6,000	0		0		0
Fees	(33,300)		(33,300)		(33,300)		(33,300)
Establishment	(163,826)		(163,826)		(163,826)		(163,826)
Trading	(37,239)		(37,239)		(37,239)		(37,239)
Admin/society	(17,447)	1,745	(15,702)	1,570	(14,132)	10,599	(3,533)
Curatorial	(29,656)	2,966	(26,690)	2,669	(24,021)		(24,021)
Engagement/marketing	(35,391)	3,539	(31,852)	3,185	(28,667)		(28,667)
Exhibitions	(13,300)		(13,300)		(13,300)		(13,300)
Education & outreach	(3,762)		(3,762)		(3,762)		(3,762)
Other	(7,597)		(7,597)		(7,597)		(7,597)
Governance costs	0		0		0	(5,000)	(5,000)
Central costs	0		0		0	(20,000)	(20,000)
Capital	(3,000)		(3,000)		(3,000)		(3,000)
Total expenditure	(955,435)	99,291	(856,144)	189,912	(666,232)	(14,401)	(671,633)
Operating deficit	(292,441)		(289,073)		(248,241)		(278,708)
Torbay Council subsidy	261,500		261,500		222,275		188,934
Net (deficit)/surplus	(30,941)		(27,573)		(25,966)		(89,775)

The model shows a significant worsening of in financial performance. The cost cutting is not sufficient to offset the loss of visitor income and reduction in Torbay Council subsidy.

Model 4 – Coming together, cut costs and achieve enterprise dividend
Single entity

Combined entity	13/14	Adj 1	14/15	Adj 2	15/16	Adj 3	16/17
Admissions & gift aid	191,156	9,558	200,714	10,036	210,749	21,075	231,824
ACE grant	140,000		140,000	(140,000)	0		0
HLF	39,500	(39,500)	0		0		0
Happy Museum	20,000	(20,000)	0		0		0
Other grants	26,346		26,346		26,346		26,346
Fundraising	56,875	2,844	59,719	2,986	62,705	3,135	65,840
Trading	105,348	5,267	110,615	5,531	116,146	11,615	127,761
Subscriptions	16,441		16,441		16,441	(16,441)	0
Transfer from reserves	22,865	(22,865)	0		0		0
Rents	40,096		40,096		40,096		40,096
Investment	4,367	(4,367)	0		0		0
Total income not including Council subsidy	662,994	(69,063)	593,931	(121,448)	472,483	19,384	491,867
Payroll	(405,417)	40,542	(364,875)	36,488	(328,388)		(328,388)
Termination costs	0	(9,000)	(9,000)		(9,000)		0
ACE payroll	(113,000)		(113,000)	113,000	0		0
Happy Museum payroll	(14,000)	14,000	0		0		0
ACE project	(33,000)		(33,000)	33,000	0		0
HLF project	(39,500)	39,500	0		0		0
Happy Museum spend	(6,000)	6,000	0		0		0
Fees	(33,300)		(33,300)		(33,300)		(33,300)
Establishment	(163,826)		(163,826)		(163,826)		(163,826)
Trading	(37,239)	(1,862)	(39,101)	(1,955)	(41,056)	(4,106)	(45,162)
Admin/society	(17,447)	1,745	(15,702)	1,570	(14,132)	10,599	(3,533)
Curatorial	(29,656)	2,966	(26,690)	2,669	(24,021)		(24,021)
Engagement/marketing	(35,391)	3,539	(31,852)	3,185	(28,667)		(28,667)
Exhibitions	(13,300)		(13,300)		(13,300)		(13,300)
Education & outreach	(3,762)		(3,762)		(3,762)		(3,762)
Other	(7,597)		(7,597)		(7,597)		(7,597)
Governance costs	0		0		0	(5,000)	(5,000)
Central costs	0		0		0	(20,000)	(20,000)
Capital	(3,000)		(3,000)		(3,000)		(3,000)
Total expenditure	(955,435)	97,429	(858,006)	187,957	(670,049)	(18,507)	(679,555)
Operating deficit	(292,441)		(264,075)		(197,566)		(187,688)
Torbay Council subsidy	261,500		261,500		222,275		188,934
Net (deficit)/surplus	(30,941)		(2,575)		24,709		1,245

The model shows a break even business by year 3, 2016/17, but only just.

Project Strand	Outline	Action	Outputs	Reporting
<p>Governance change and transition</p>	<p>Improvements are needed to maximise the delivery potential of the three sites. The museums should complement each other and agree organisational purpose. As part of this the organisations need to be moved towards a new governance structure including the formation of a new Trust. There will be a separation of the Torquay Museum Society from the business delivery of Torquay Museum. The nature of changes in the governance of Torre Abbey is less certain but options will be set out and decisions taken by Torbay Council during the year. Operational join-up and delivery must also be facilitated and better integration carried out during the year (see below for specifics). The work of the Joint Delivery Groups will feed into the formulation of a new operational structure should operations merge between TQM and Torre.</p> <p>Reception work project at TQM is to revise the reception layout to allow a single member of staff to manage both reception and the shop in order to cut staffing costs - this will bring about significant savings particularly during off peak months.</p> <p>Works at Brixham are required to update existing reception area and provide a better visitor experience to encourage return visits.</p>	<p>1. Torbay Council to carry out internal options appraisal to determine best model for future governance. Completion by June 2014.</p> <p>2. Torquay Museum to take forward HLF Transition Proposal including moving towards a new Trust and separation of the Museum Society from the Museum business. Detailed option on table by June 2014 with consultation launched and implementation by September 2014. Linkage to be made with Torbay Council/Torre Abbey depending on decisions made at the Council. Torbay Council option to be identified by June 2014.</p> <p>3. Operational join up to be explored. Key areas are marketing, education, collections management, fundraising/grants. Other opportunities to be exploited wherever they occur.</p> <p>4. Operational support across the sites should be maximised e.g. staff sharing skills, joint training events, staff helping to support events.</p> <p>5. Reception work project at TQM - Consultation with architects to take place in April 2014, options discussed May 2014 with implementation June 2014.</p> <p>6. Reception work project at Brixham - Plans drawn up by September 2014. In place by end February 2015.</p>	<p>1. A defined option for the future of Torre Abbey supported by Torbay Council. Preferred option identified by June 2014. This work is led by Sue Cheriton and Dave Butt.</p> <p>2. A new Trust in place for TQM (which links with the Torre Abbey option if possible) by end of March 2015. This work is led by Phil Collins and supported by Basil Greenwood.</p> <p>3. A close working relationship between TQM and TA with more effective delivery and mutual support – 4 'Delivery Groups' set up by June 2014. The 4 Groups will be Education/Marketing/Collections Management/Grants & Fundraising. These Groups will meet monthly, convened and supported by Basil Greenwood, and comprise representation from each of the 3 museums.</p> <p>4. A clearly defined relationship between the 3 sites and Torbay Council. New Service Level Agreement (particularly for Brixham) where the provision of services provided by the museums is clearly identified and valued. Completed by end November 2014. This work will be led by Basil Greenwood and Alan Davies.</p> <p>5. Reception works at TQM completed Sept 2014. Led by Basil Greenwood and Phil Collins.</p> <p>6. Reception works at Brixham completed Feb 2015. Led by Phil Armitage.</p>	<p>1. Torbay Council has carried out an internal review of possible options with regard to Torre Abbey and Torquay Museum. The financial analysis needs more detailed scrutiny and actual staff structures need to be developed to finalise the business case. With the proposed cuts in funding from Torbay Council work delivery structure – a meeting is planned in July/August to help take this forward and build on the preliminary work done on 'Torbay Museums – required functions' (Annex 1).</p> <p>2. Work is proceeding on putting a new Trust in place for TQM. A timetable has been set out and agreed by TQM Board (Annex 2).</p> <p>3. As a result of legal advice FM Project received from James Evans of Foot Anstey in April the approach now agreed by TQM Board, HLF and the Future Museums Project Board and currently being implemented is to:</p> <ul style="list-style-type: none"> use the existing Torquay Museum Society charity, an incorporated charitable company limited by guarantee, as the basis of the Museum/Heritage Trust establish a totally separate new membership organisation – potentially a new charity – to continue the current wider membership focussed activity of the existing society - rambling, botany, astronomy etc develop and adopt revised/new articles for both organisations change the name of the existing charity to eg Torbay Museum or Heritage Trust – name to be agreed establish a new Board of Trustees for the Museum Trust with a maximum of 2 representatives from the membership organisation. <p>4. The Museum Trust will :</p> <ul style="list-style-type: none"> retain the ownership of the collections and the leasehold of Torquay Museum's building and all associated liabilities, including any redundancies relating to any staff restructuring needed enter into a license agreement with the new membership organisation that will define the arrangements for the use of facilities within the museum building <p>5. TQM has been progressing this change in governance alone, as TQM had been informed that Torbay Council no longer wished to progress the proposed</p>

	<p>A better understanding is needed of the existing and potential audience for Torbay Museums. Information has been collected in a variety of formats and needs reviewing. This will be led by Basil Greenwood with support from Nathalie Palin and the Joint Museums Marketing Delivery Group.</p> <p>There is work being undertaken to develop a cultural strategy for Torbay led by Torbay Council and the Torbay Development Agency. Both Phil Collins and Alan Davies are being consulted on this and will feedback information into the Museums Audience Development Plan. Angela Cappello (Torbay Council marketing officer) will also act as a conduit between the wider Cultural Strategy and the Museums work – Angela sits on the Joint Museums Marketing Delivery Group.</p> <p>Postcode data is collected as a normal part of business at TQM and it is proposed that similar data is collected at Torre Abbey and Brixham. The Merac tills system in place at TQM and Torre allow easy access to this information and data on admissions type e.g. groups, schools, families etc. Monitoring can therefore be easily carried out which can hopefully be supplemented by visitor surveys on an annual basis.</p>	<ol style="list-style-type: none"> 1. Review existing audience information. 2. Produce an audience development plan that also gives consideration to the wider Torbay offer. This will reference and link in with the Cultural Strategy for Torbay. 3. Utilise plan to guide future marketing and events etc. A joint marketing action plan to be produced as part of this. 4. Develop programming of events at the 3 sites. 5. Sign up to the Visitor Verdict benchmarking scheme. 	<ol style="list-style-type: none"> 1. An audience development plan that effectively guides action at the 3 sites produced by August 2014. A clear plan as to which audiences should be targeted needs to be produced which will be utilised by the Joint Marketing Group to guide marketing activity. This Group will set out an action plan response by October 2014. 2. A clear definition of the USP for the 3 sites developed from the Forward Plans by August 2014. 3. Sign up to Visitor Verdict by June 2014. 4. Further outputs will be developed in relation to 'joined up' working with Torbay's wider cultural strategy as the strategy is developed during 2014. 	<p>joint Trust. However TQM have taken forward the new arrangements with the intention of ensuring that the revised articles and new Board would be fit for purpose to incorporate such a joint arrangement by agreement in the future. With the proposed cuts consultation currently underway, discussions on the joint arrangement are back on the table for discussion.</p> <ol style="list-style-type: none"> 6. Delivery groups being developed – see below. 7. New SLA is being looked into by Torbay Council. 8. Reception works at TQM and Brixham still in development stages. <ol style="list-style-type: none"> 1. Little progress on audience development plan as marketing group has been focussed on setting up joint ticket arrangement and associated marketing – see below under marketing. 2. Forward plans developed for TQM and TA with Brixham underway. 3. Initial sign up to Visitor Verdict carried out. TQM currently implementing scheme and e-mail collection policy to feed into VV. Brixham have unresolved concerns about the scheme which are being further considered by the Museum. Torre Abbey currently looking into how the scheme can be implemented.
<p>Marketing</p> <p>The premise is that there is considerable potential to get added value from marketing the 3 museums as one – 'Torbay Museums' – a 3 museums offer. It is proposed that a Museums Marketing Delivery Team is formed supported by the FM Project Manager and a budget from the FM Project to combine with existing budgets where possible. Basic idea is to drive up visitor numbers to improve income. Links with Kents Cavern will be further explored including joint marketing initiatives.</p>	<ol style="list-style-type: none"> 1. Set up a Museums Marketing Delivery Team to meet on a monthly basis to drive actions forward. 2. Take forward joint ticketing. 3. Take forward joint leaflet to market Museums and joint ticketing. 4. Develop joint posters and banners for use around Torbay. 5. Co-ordinate and deliver joint e-newsletter. 6. Co-ordinate advertising/press releases. 	<ol style="list-style-type: none"> 1. An effective Museums Marketing Delivery Team meeting monthly from April 2014. 2. Joint ticket available for the 3 sites by June 2014. 3. Joint leaflet for the 3 sites by June 2014. 4. Joint posters and banners for the 3 sites in place across Torbay by June 2014. 5. A regular joint e-newsletter every 5 – 8 weeks dependent on time of year. 6. Co-ordinated advertising in local publications for Torbay. 	<ol style="list-style-type: none"> 1. Regular meetings of joint marketing delivery team taking place. 2. Meetings also now attended by Kents Cavern (James Hull/Nick Powe). 3. Joint ticket – Heritage Pass - discussed and agreed by all 3 museums plus Kents Cavern - Launched July 1st. Kents Cavern have developed on-line ticketing facility and will administer disbursement of monies. Link to tickets is via the Museums web-portal. Staff trained in how to process Heritage Pass tickets. 4. Joint leaflet for Heritage Pass produced (100,000 	

	<p>This Group will have representatives from the 3 Museums. Likely to be Angela Cappello (Marketing Officer, Torbay Council), Martin Hoare (Operations Manager, Torre Abbey), Carl Smith (Marketing/Visitor Services, TQM), Philip Armitage (Bxm Curator). Invite has been extended to Kents Cavern (Nick Powe/James Hull).</p>	<ol style="list-style-type: none"> 7. Produce joint marketing strategy. 8. Co-ordinate and deliver effective usage of social media e.g. Facebook, Twitter etc. 9. Invite James Hull/Nick Powe onto marketing delivery group. 10. Links to wider Torbay strategy/actions will be facilitated through membership of the Museums Marketing Delivery Team who are engaged with the various Torbay initiatives. 	<p>7. A joint marketing strategy that supports the audience development plan. Drafted by May 2014.</p>	<p>copies) and being distributed by Westward Marketing throughout the Plymouth, Torbay, Avon & Dart, Bovey & Teign, and Exeter regions.</p> <ol style="list-style-type: none"> 5. Joint banners produced and in place outside the Museums and also at Kings Bowling Club, Abbey Park Gates (Belgrave Road) & Riviera International Conference Centre. 6. Regular joint e-newsletter being produced and sent out to e-mail contacts. 7. Palm FM Radio competition and advertising. competition 1st July – 21st July (feedback on competition see Annex 3). Advertising 25th July – 29th August. 8. Three half page adverts planned for the English Riviera Magazine (August/September & October/November & December/January). Plus 150 words of copy (plus photo) in the magazine's Openers News Section highlighting the launch of the Heritage Pass. Also, in the October/November issue of the magazine the editor will write a feature on one of the attractions, and as part of that interview will focus on the new Heritage Pass. 9. Herald Express advertising/pull out feature being put together for August/September launch.
<p>Education</p>	<p>The premise is that there might be potential to get added value from managing education delivery across the 3 museums. It is recognised that Brixham Museum might fall outside this process as it has a well-designed education programme delivered principally by volunteers – however it is hoped that Brixham will still contribute to the group. It is proposed that an Education Delivery Team is formed supported by the FM Project Manager.</p>	<ol style="list-style-type: none"> 1. Set up a Museums Education Delivery Team – Basil Greenwood, Dee Stephens, Ali Marshall, Leah Whitcher, Phil Collins, Alan Davies. Links will be made through this membership to wider Torbay initiatives. 2. Map existing skills available to deliver education at the 3 sites. 3. Identify skills required to deliver education at the 3 sites – i.e. what is required. 4. Explore how to fill any gaps potentially utilising redeployment of existing, training up, buying in. 5. Consider potential wider but related education needs across Torbay – Kents, Geopark, Cockington, Bygonies 6. Produce an education strategy across the 3 sites. 7. Develop a pool of 'bought-in' expertise to deliver education sessions. 	<ol style="list-style-type: none"> 1. An effective Museums Education Delivery Team meeting monthly from April 2014. 2. A clear picture of available skills at the 3 sites by June 2014. 3. An education strategy across the 3 sites which also considers relationship with other sites in the bay by July 2014. This will outline the priority areas for action across the 3 sites and who might deliver this work. This work will feed into consideration of a new approach to education delivery to be drafted by Sept 2014. 4. A pool of 3-5 educators available and trained to come into the sites to deliver education sessions by June 2014. Target of 20 sessions to be delivered over the 2014-15 period. 	<ol style="list-style-type: none"> 1. Museums Education Delivery Team set up. 2. Joint strategy still in process of being drafted – HR issues a major consideration. 3. Joint schools contact list has been produced. 4. Museums Education leaflet produced (Annex 4) and circulated to schools in Torbay. Leaflet will also be circulated by e-mail. 5. Pool of 5 educators being trained up to deliver sessions at TQM. 6. Evaluated and revised core Geohub Ed Programme and core Collections Programme – now updated on website (see links below) http://www.torquaymuseum.org/learn/schools/prim-av/collectons http://www.torquaymuseum.org/learn/schools/prim-av/geohub 7. Updated core sessions pages on site (see links above) to also promote self-guided schools visits to enhance sustainability of schools offer (no need to buy in delivery support) 8. In process of developing and adding more collections based downloadable self-guided activities to Schools section of website, to further promote self-guided visits (note, some teachers are already bringing these along to the booked led sessions so are obviously

	<p>The premise is that there might be potential to get added value from managing the collections across the 3 museums. It is proposed that a Museums Collections Delivery Team is formed led and supported by the FM Project Manager.</p> <p>Representatives will be drawn from the 3 museums to include: Barry Chandler, Amelia Mariett, Martin Hoare, Alan Davies, Phil Collins.</p>	<ol style="list-style-type: none"> 1. Set up a Joint Museums Collections Delivery Team. 2. Map existing skills available to manage collections at the 3 sites. 3. Identify skills required to manage collections at the 3 sites – i.e. what is required. 4. Explore how to fill any gaps potentially utilising redeployment of existing, training up, buying in. 5. Consider potential wider collections needs across Torbay – Kents, Geopark, Cockington, – how might this fit with a future approach to collections management. 	<ol style="list-style-type: none"> 1. An effective Museums Collections Delivery Team in place meeting monthly from June 2014. 2. A clear picture of available skills across the 3 sites by Sept 2014. 3. A clear picture of the necessary skills required to manage collections at the 3 sites with thoughts on any connections with other sites by Sept 2014. 4. The Group will set out how a joint museums collections delivery team might operate by Nov 2014. This will consider any wider potential collections needs across Torbay. 	<p>using the website) http://www.torquaymuseum.org/learn/schools/primary/self-guided-visits</p> <ol style="list-style-type: none"> 9. Working with Ali at TA on more garden based self-guided resources for schools as well as refining the led sessions* 10. Planned and delivered Geopark Festival activity for BHM 11. Working with KC on joint marketing to promote Ancestors/Stone Age offer 12. Delivered Geohub Stone Age sessions, both as joint offer with KC or single TQM visit 13. Delivered Geohub 'Pebble in Your Pocket' session on Torre Abbey Sands
<p>Fundraising /grants</p>	<p>There is a need to review how this takes place across the 3 sites to maximise opportunities for a joint approach and meet the needs of grant giving bodies. This work will be led and supported by the FM Project Manager.</p> <p>Representatives will be drawn from the 3 museums to include: Phil Collins, Alan Davies, Martin Hoare, Phil Armitage.</p> <p>The FM Project should support the Forward Planning process at the 3 sites to maximise opportunities for a joined up approach to Forward Planning and delivery.</p>	<ol style="list-style-type: none"> 1. Explore a joined up approach at the FM Project Board meetings and set up a working group to take further. 2. Produce an outline of major grant requirements for the 3 sites. 3. Produce a strategy for dealing with the major grant bodies e.g. HLF/ACE in consultation with Torbay Council and share this with the grants bodies. 	<ol style="list-style-type: none"> 1. An outline of the major grant needs for the 3 sites over the next 5 years and a shared strategy for dealing with the major grant bodies by Oct 2014. 	<ol style="list-style-type: none"> 1. To be discussed at August meeting of FM Project Board.
<p>Forward Planning</p>	<p>The FM Project should support the Forward Planning process at the 3 sites to maximise opportunities for a joined up approach to Forward Planning and delivery.</p>	<ol style="list-style-type: none"> 1. FM Project to support Forward Planning process at the 3 sites. 2. Forward Plans for the 3 sites should be 'joined-up' to exploit opportunities to assist effective delivery. 3. USPs for the 3 sites should be complementary. 	<ol style="list-style-type: none"> 1. Forward Planning support delivered across the 3 sites by Sept 2014. 2. Joined-up Forward Plans completed and approved to the standard required for accreditation and to accreditation deadlines by Dec 2014. 	<ol style="list-style-type: none"> 1. Forward Plan produced for Torre Abbey. 2. Forward Plan drafted for TQM. 3. Forward Plan for Brixham being worked on.

TQM Cost savings and Income Generation – Draft figures

Implemented from 1 April 2014

Changes to buying policy on consumables - £1.5k

Change to services (printing, internet, recycling, SAGE) - £3.1k

Changes to heating/lighting policy (incl. invest to save lighting) - £12.5k

Café shift to franchise (from loss to net gain) net - £10k

Sponsorship - £6.5k

TOTAL = £33.6k

Savings from staff restructuring over period 2013/14 to 2014/15 = £65k

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To Councillor Dave Butt,
Executive Lead for Culture and the Arts,
Torbay Council,
Town Hall,
Torquay,

(By hand, via Councillor Ray Hill)

19th August 2014

Dear Councillor Butt,

The petition which comes with this letter is from a group of loyal and dedicated members of Torquay Museum Society who fear for the future of the Museum if the proposed cut to the Museum's annual grant from Torbay Council becomes a reality.

We present our petition to emphasise that a grant reduction such as has been mentioned (42 per cent) could well lead to the Museum's closure next year. In the light of our Museum and Society having been the heritage heart of the town for an unbroken 170 years we are anxious that every avenue should be explored towards safeguarding that heritage for future generations, thus enabling our local community and our visitors to enjoy at least some of the heritage on show in the civic museums of our neighbouring cities of Exeter and Plymouth.

However, we are aware of the difficult decisions facing the Council at this time and in no way do we wish to present our petition in a spirit of confrontation. We have worked well with Torbay Council for many years and we believe our Museum in the last 15 years has made huge strides forward for the considerable benefit of the town, thanks to the continuation of the Council's grant and the generosity of the Heritage Lottery Fund, not to mention the huge amount of hard work from the Museum's staff and from the members of Torquay Museum Society.

There is too much history to lose now. We hope that some imaginative thinking by all concerned will secure a future for Torquay Museum.

On behalf of the group of Society members who organized the petition, I remain with best wishes,

Yours sincerely,



Mike Thompson,
President of Torquay Museum Society 2001-2003.

PS We realise that our petition is a small one of just over 900 names but it was done very quickly more or less in one day so that it could be handed over before the important meeting this week. The public in the Haldon Centre signed most willingly.