

Asset Strategy - Thanet Museums

Executive, Policy & Community Safety Scrutiny Panel	27 September 2018
Report Author	Tim Howes, Director of Corporate Governance
Portfolio Holder:	Councillor Gregory, Cabinet Member for Financial Services & Estates:
Status:	For recommendation
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	Significant effect on communities
Ward:	All

Executive Summary:

Museums support society, their collections provide educational and wellbeing benefits set in an environment of culture and heritage. The museum environment should be one where the climate facilitates good custodianship of the collections, be welcoming and safe for people, one which stimulates learning and the experience leaves the visitors feeling positive about the visit, encouraging new and repeat footfall to the area. Done well, museums stimulate economic development and regeneration.

The Council owns and operates two museums (and associated properties). A review of the condition of these museums has identified a significant backlog of repairs and, with a climate of reduced public funding, consideration has to be given to finding alternative ways to continue to support museum provision in the future.

This report provides information about the current situation and asks Cabinet to authorise officers to look for alternative options that will ensure a sustainable museum presence in Margate and Broadstairs.

Recommendation(s):

The Executive, Policy & Community Safety Scrutiny Panel is asked to comment on the proposals and recommendations to Cabinet in the report.

CORPORATE IMPLICATIONS

Financial and Value for Money	The asset team must work with finance to clarify the VAT position and ensure that all costs involved in a transfer are identified as part of the marketing to ensure costs are recovered as part of any transfer. The Medium Term Financial Strategy documents capital and revenue expenditure, this action is required to ensure there are no unplanned costs incurred which may impact the MTFS.
Legal	Legal advice will be provided as part of the transfer.
Corporate	Supporting neighbourhoods and promoting inward investment are drivers behind the need to protect the museums and heritage properties. Without action these will close. There are risks involved in transfer, these risks will

	be managed and mitigated through this process. The Communications team will be actively involved in promoting the opportunities and liaising with members of the public and press throughout the process.								
Equality Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (Section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td></td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td>X</td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td>X</td> </tr> </table> <p>The changes recommended in this report will protect the values for inclusive museum facilities.</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it	X	Foster good relations between people who share a protected characteristic and people who do not share it.	X
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CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	X
Promoting inward investment and job creation	X
Supporting neighbourhoods	X

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	X
Supporting the Workforce	X
Promoting open communications	X

1.0 Introduction and Background

- 1.1 Local Authority owned museum provision, those not subject to a leasehold interest, remain with the local authority to set the strategy, engage with and/or employ staff to run the museum, finance the operations and invest in the premises and services.
- 1.2 There is much documented about the importance museums have on supporting different areas of society and this provision should continue wherever possible within Thanet. Thanet Council therefore maintains a commitment to support museums for benefits including:-
- Promotion of cultural cohesion.
 - They support learning and local education.
 - Promotion of wellbeing benefits, particularly mental health.
 - Offer heritage facilities to promote place and a sense of belonging to a community.
 - For visitor enjoyment, including yielding tourism benefits.
- 1.3 Driven by a desire to improve the experience and service to the public, together with a reflection of the current funding constraints and understanding of the technical

expertise required to run a viable museums, Thanet Council has reviewed their owned and operated museums (and associated properties) with a view to understanding how sustainable the current operating models are.

- 1.4 The review concluded that the current ownership and operating models are no longer sustainable and with reduced resources and funding, there is no option other than to look for alternative models of custodianship and delivery of these museums.

2.0 The Current Situation

- 2.1 The Council owned and operated museums and associated premises of review are:-

- Dickens House, Broadstairs
- Margate Museum, Margate
- Tudor House, Margate
- Old Town Hall, Margate.

- 2.2 Thanet Council has been fortunate to have the ongoing support of both staff, volunteers and community organisations who diligently protect and promote the museums, the volunteers often giving their time free of charge to support the museums and to share the heritage of the local area. This support is gratefully received.

- 2.3 However, a review of the assets themselves has identified substantial capital investment is required if they are to remain open and operational. The premises were surveyed in March 2014 to get an understanding of the condition and identify areas requiring repair. This was a contributing factor in the Old Town Hall being closed due to health and safety concerns. Unfortunately, funding has not been available to undertake the works identified in 2014, and therefore a repeat survey was commissioned towards the end of 2017 to identify the current situation.

- 2.4 The table below shows the results of the condition surveys (all figures exclude VAT):-

Property	Condition Survey March 2014	Condition Survey November 2017	Approximate Increase in costs in the three year period
Margate Museum and Town Hall	£651,555	£911,400	40%
Tudor House	£164,450	£215,250	31%
Dickens House Museum	£153,710	£210,450	37%

- 2.5 The asset team have identified the most urgent works to ensure that the properties that are open remain so, although Margate Town Hall has been closed for several years due to the risks associated with significant use.

- 2.6 This decline in condition of these assets will continue without substantial investment. (Note that the costs identified are baseline costs based on visual inspections, they do not include work for alterations, improvements or contingencies and would be subject to tender).

- 2.7 Operational budgets for this financial year show that Dickens House has a small surplus of £2160 per annum, Margate Town Hall and Museum a revenue cost of £18,000 per annum and Tudor House £5940 per annum. Sopers Yard has no

revenue budget. The revenue budgets do not have an allowance for the investment required.

- 2.8 Without significant investment, it is likely that the premises will be closed in the medium term. This is not a desirable outcome for anyone.
- 2.9 Closed premises incur costs for the Council, boarded premises attract vandalism and antisocial behaviour and insurers would want assurance that the artefacts and premises were adequately secured which would mean neither the property nor collections would be available for public enjoyment.
- 2.10 The above considers the costs of the fabric of the buildings, it should be remembered that the museums must evolve if they are to remain attractive to all generations, they require sophisticated strategies and operations to remain viable, this expertise is outside of the scope of the local authority resources.
- 2.11 Towards the end of last year a number of strategic reviews of museums were published. These culminated in a widely agreed recognition that funding is a problem, particularly for local authorities and in response to these pressures many local authorities are now looking for alternative ways to provide museums in their areas.
- 2.12 One of these reviews, the Mendoza Review, noted funding challenges and commented:-

“Local Authorities that are no longer able or willing to support their museums should try to find alternative sustainable futures for them, including considering whether they would better fulfil their functions outside the council”

Since this review a £4 million DCMS/Wofson Museums and Galleries Improvement fund has been launched, but local authorities are not able to apply for this funding instead preference is given to established museums and galleries. This seems to confirm the trend for supporting qualifying organisations rather than local authorities.

- 2.13 The Council led review of the museums concluded that Thanet Council is no longer able to financially support the museums and therefore must try to find alternative sustainable futures.
- 2.14 Therefore the suggested way forward is below.

2.15 Margate Museum and Dickens House

- 2.15.1 It is proposed that these two properties are retained primarily as museums (but that there is some scope for ancillary trading activities that support the museum objectives) and advertised as a going concern to be transferred to existing charitable bodies or other appropriate community organisation as defined in the Community Asset Transfer Policy.
- 2.15.2 Note that the volunteers are being consulted at an early stage in this process with a view to retaining their ongoing support at these museums. All those who have had discussions so far with the council are in support of the strategic change.
- 2.15.3 A staff consultation process has begun with the employee of Dickens House to give the assurance that the transfer will be as a going concern.

2.16 Margate Town Hall

- 2.16.1 It is proposed that this premises is marketed for commercial opportunities for the vacant areas of the ground floor, but with interested parties incorporating ideas to accommodate the Charter Trustees on the upper floor. Note that the existing leasehold interest on the lower ground floor will be unaffected by the transfer.

2.17 Tudor House

It is proposed that the Tudor House is marketed for a use that supports investment into the premises, promotes the heritage and ensures it remains used by members of the public.

2.18 Proposed approach

- 2.18.1 A marketing team to include the heritage advisor, will convene to collate information into a data pack which is required for marketing of the sites. Regular updates will be provided to the Portfolio Holder. The proposed process is:-

2.18.2 Stage 1 – pre marketing

Collation of information into data packs, containing key opportunities and constraints including planning, legal, contractual, building fabric potential, user information, staff and volunteer data (only data permissible under employment law and GDPR), artefact information (where relevant) and operational data pulled together for marketing purposes.

2.18.3 Stage 2 – Marketing/Expressions of Interest

Market the opportunity through appropriate channels during the early Spring of 2020. Marketing includes advertising and approaches for support through English Heritage, Heritage Lottery Fund, Arts Council England, Association of Independent Museums and other independent museum trusts.

During this stage there would comprise requests for expressions of Interest, with bidders invited to submit their proposals by a defined date. The detail required from bidders would include identifying the nature of the proposed use, they would be required to provide information demonstrating experience and financial ability to deliver the outcomes within a reasonable timeframe. The purpose is to identify the most realistic and attractive use for the site.

Please note that the properties are being marketed independently from each other. This does not prevent an organisation expressing an interest in more than one opportunity but will allow for greater flexibility for the Council to consider all applications.

2.18.4 Stage 3 - Shortlisted Proposals

Provided a sufficient number of expressions are received a short list of parties would be asked to meet with officers to review their proposals giving both parties the opportunity to ask questions and where relevant they would be requested to submit a final offer.

It is expected that the Portfolio Holder for Estates and Finance, the Lead Director together with officers from Community Services, Heritage, Tourism, Finance and Asset Management will form part of the panel of review of the final offers submitted.

2.18.5 Stage 4 - Contractual Recommendation

With a preferred party chosen for each opportunity a recommendation will be made by the panel, to Cabinet for approval. Should there be no clear credible opportunity to transfer these facilities a summary will also be included in the Cabinet report with a recommendation made on the way forward.

- 2.19 There would be marketing, legal and estates fees involved in completing these changes, at this stage these costs are not known. However, these costs would be expected to be covered by the successful bidder, with their final offer reflecting these outgoings. The costs will be quantified and published as part of the marketing of the opportunity.
- 2.20 The timeframe to bring this back to Cabinet will be at least six months, but this will be confirmed. Whilst the timeframe is fairly lengthy, it is in recognition that there is a considerable amount of work to be done to prepare the marketing and the opportunities must be widely marketed to adhere to property and procurement laws.

3.0 Options

- 3.1 To close the two museums and remove the artefacts loaning them to museums already devolved from the Council. This is not recommended as a first choice for the Council as it would not support the visitor experience of enjoying the collections within the area they were designed to promote.
- 3.2 For the council to consider offering a joint venture with an established museum, but as mentioned earlier in this report there is no expertise available in the council to do this, nor ongoing financial support to bring to the partnership.
- 3.3 The preferred and recommended options is that:
Dickens House, Broadstairs and Margate Museum, Margate - market both opportunities as a going concern (ie the premises, collections, staff and support of the volunteers) through appropriate channels for transfer to independent charities or other appropriate community organisation as defined in the Community Asset Transfer Policy and

Tudor House, Margate – market opportunities to transfer the premises to a use that demonstrates credible investment, will continue to support the heritage of the area and use of the asset by members of the public and

Margate Town Hall - market opportunities for the property including the existing leasehold interests remaining, to a credible use but incorporating ideas for the Margate Charter Trustees to have some space retained for their public functions. The existing leasehold interest on the ground floor will not be affected by the transfer.

4.0 Recommendations to Cabinet for comment by the Panel

That Cabinet authorises officers to:-

- (1) Dickens House, Broadstairs and Margate Museum, Margate - to market both opportunities as a going concern (i.e. the premises, collections and where relevant staff) through appropriate channels for transfer to independent charities or other

appropriate community organisation as defined in the Community Asset Transfer Policy and

- (2) Tudor House, Margate – market opportunities through appropriate channels to transfer the premises to a use that demonstrates credible investment will be achievable in a reasonable timeframe and the use will continue to support the heritage of the area and use of the asset by members of the public and
- (3) Margate Town Hall, Margate – market opportunities for the property through appropriate channels to transfer to a use that demonstrates credible investment but with the caveat that the Margate Charter Trustees will be granted space for their public functions. The existing leasehold interest on the ground floor will not be affected by the transfer.

Contact Officer:	Edwina Crowley, Head of Asset Management
Reporting to:	Tim Howes, Director of Corporate Governance

Annex List

Annex 1	Dickens House - Indicative Plan showing extent of property
Annex 2	OT Hall - Indicative Plan showing extent of property
Annex 3	OT Hall Museum - Indicative Plan showing extent of property
Annex 4	Tudor House Margate - Indicative Plan showing extent of property

Background Papers

Title	Details of where to access copy
Museum Association, Museum Survey 2018	Museumassociation.org
Mendoza Review, November 2017	www.gov.uk

Corporate Consultation

Finance	Ramesh Prashar, Head of Financial Services
Legal	Sophia Nartey, Interim Head of Legal Services