

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive Committee</b>
<b>Date:</b>	<b>20<sup>th</sup> of July 2015</b>
<b>Subject:</b>	<b>Ensuring sustainable and efficient services for the future: Transforming Culture Services.</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Ken Hughes</b>
<b>Head of Service:</b>	<b>Delyth Wyn Molyneux</b>
<b>Report Author:</b> Tel: E-mail:	<b>Delyth Wyn Molyneux</b> <b>01248 752916</b> <a href="mailto:delythmolyneux@ynysmon.gov.uk">delythmolyneux@ynysmon.gov.uk</a>
<b>Local Members:</b>	<b>Relevant to all elected members</b>

<b>A –Recommendation/s and reason/s</b>
<p><b>Recommendation</b></p> <p>To approve the Lifelong Learning departments plans to begin a consultation period with the public and partners on the following options for culture services, either as separate options or in combination:</p> <p><u>Culture</u> (see appendix 1)</p> <ol style="list-style-type: none"> <li>1) Do nothing and retain the status quo. No savings.</li> <li>2) Review and renegotiate the Trinity House agreement for South Stack by 2017. Savings to be costed dependent on terms.</li> <li>3) Entering into a partnership with community or national groups for some of the sites (e.g Beaumaris Courthouse and Gaol, Melin Llynonn). Savings to be costed dependent on terms.</li> <li>4) Entering into an agreement with a 3rd party operator. Savings to be costed dependent on terms.</li> <li>5) Contract a 3rd party operator. Savings to be costed dependent on terms.</li> <li>6) Local authority led service with a Developmnet Foundation. Savings to be costed dependent on terms.</li> <li>7) Establishing an independent charitable body to operate the service. Savings to be costed dependent on terms.</li> </ol>

Each of the options will be costed to include 'hidden ' costs such as the essential repairs and maintenance of the sites and listed buildings.

### **Reasons.**

The national and local agendas and financial challenges make it necessary for us to review the way that we provide our Museum and Cultural services.

We are working towards realising the commitment made in the Corporate Plan for IOACC 2013-2017 to:

- o Investigate options about our cultural and heritage sites, and introduce new management arrangements (if appropriate), and
- o ensure that a sustainable model is established for the future.

This will mean:

- o Introducing new service delivery management models for Culture services, and
- o ensuring focused and sustainable provision.

The initial suggestions to instigate these transformations were presented to the SLT and the Transforming Service Excellence Board, and the first draft of the PID and PDD have received their approval, with the decision that three projects be governed by one Programme Board (Libraries, Culture and Youth service).

### **Aims of the Programme**

Aim 1: Develop a shortlist of options to present to the Executive Committee for their approval to go out to consultation, by July 2015.

Aim 2: Undertake a public statutory and non-statutory consultation on the shortlist of options by the end of November 2015.

Aim 3: Based on the findings of the consultation, present a favoured option for each of the Libraries, Culture and Youth services (including final costs and savings) , approved by the Executive Committee, by January/Chwefror 2016.

Aim 4: New management models actioned, by April 2017.

Financial aim: To ensure sustainable services and release savings of between 20-60% across the three services by April 2017.

**B – What other options did you consider and why did you reject them and/or opt for this option?**

It is necessary to undertake a comprehensive consultation programme with potential and current partners, the public and with specific user groups, and to complete an equality impact assessment , in order to present a short-list of favoured options by January/February 2016.

**C – Why is this a decision for the Executive?**

The approval of the Executive is sought in order to undertake a comprehensive consultation exercise with the public and partners, including exploring expressions of interest.

**CH – Is this decision consistent with policy approved by the full Council?**

Yes

**D – Is this decision within the budget approved by the Council?**

Yes, for fulfilling its transformation programme .

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	The SLT has considered the report and is supportive of the steps that are outlined.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	Finance are currently working with the department on this project and therefore have no further comments.
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	Included in 1 above.
<b>4</b>	<b>Human Resources (HR)</b>	We shall be working together with the department on any staffing implications raised in the wake of the options selected.
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Scrutiny</b>	
<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	

	<b>Jim Woodcock – Head of Planning and Public Protection</b>	No comments.
--	--	--------------

<b>E – Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	<p>RISK: The result of the review of the service may affect tourism, access to the arts and creative experiences, and the island as a visitor destination.</p> <p>MITIGATION: Full consideration will be given to these issues as part of the consultation, the Equality Impact Assessment and when developing favoured options.</p>

<b>F - Appendices:</b>
1. Providing Culture Services for the Future.

<b>FF - Background papers (please contact the author of the Report for any further information):</b>

## Introduction and background

The Anglesey Museums, Culture and Archives Service manages 6 sites.

### Section A – Museums



Oriol Ynys Môn



Beaumaris Courthouse



Beaumaris Gaol



Llynnon

### Section B – Heritage Site



South Stack Lighthouse

### Section C – Anglesey Archives



The Council wants to promote Anglesey as a unique and culturally vibrant place. The Museums and Culture service has a significant role to play in achieving this aspiration by providing residents and visitors with inspiring, engaging experiences that contribute to their knowledge and understanding of the island's cultural identity and traditions.

The service is a significant contributor to the Council's Destination Management Plan and as such is a key part of the local economy. It also contributes to promoting the Welsh language and the cultural tourism offer on Anglesey. Along with the Archives which supports smarter working and other key initiatives, the Museums and Culture service contributes to a number of corporate and national objectives such as poverty and well being.

## Drivers for change and modernisation

### *Achieving long-term sustainability and resilience*

Council services on Anglesey are facing significant financial challenges. Whilst the new Corporate Plan notes the Council's support for cultural services and the need to protect and promote Anglesey's unique culture, language and heritage in the face of the external pressure it also refers to the challenging aim of reducing the overall costs of these services to the Council by 60% over the period 2013-17.

The service therefore needs to respond to the existing unprecedented financial climate and aim to develop robust, long-term sustainable plans to counter the continuing economic challenges. This is the most pressing priority and needs to be developed in partnership with the community and across the cultural sector.

### *Raising the profile of heritage*

The service needs to engage with an even wider range of Anglesey residents and visitors. This will involve responding to service users' needs and developing new and engaging activities that will encourage more to visit the museums and return on a regular basis whilst having less resources to do so.

## Section A Museums – Situation as at July 2014 – sites and operational staff

Anglesey's museum and culture service strives to care for, interpret and promote Anglesey's unique heritage. It seeks to inspire creativity and provide learning opportunities and enjoyment for the island's residents and visitors.

However, the service is non-statutory and a robust and sustainable strategic approach is required if the service is to flourish in the present difficult climate.

By 2016 Anglesey's museum service will have a long-term sustainable strategy. It will have a key role in connecting communities with their heritage and culture and in sharing the Island's unique attributes with its visitors. It will also continue to make a meaningful contribution to Anglesey's economy and destination management plan.

CyMAL, the lead body for museums, archives and libraries in Wales, administers the Museums Accreditation scheme - the standard to which museums throughout the UK aspire. All the museums on Anglesey are fully accredited and any decision which might endanger this status should be considered very carefully.

The national Museums Strategy for Wales notes the following key themes for museums.

<b>Museums for Everyone</b>	<ul style="list-style-type: none"> <li>▪ Museums should aim to be accessible to all. They need to understand and consult with their communities and use this information effectively.</li> <li>▪ Encouraging more people to become involved as volunteers will help to develop services as well as the individuals involved.</li> <li>▪ Developing services that reflect the importance of the Welsh language - museums contribute extensively to cultural tourism.</li> </ul>
<b>A Collection for the Nation</b>	<ul style="list-style-type: none"> <li>▪ Collections are the reason museums exist. They are brought together by the community for the community and are integral to the collective memory of our nation.</li> <li>▪ Understanding collections is fundamental to their effective management - a thorough knowledge of the range and significance of collections is important for professionals to make informed choices.</li> </ul>
<b>Working Effectively</b>	<ul style="list-style-type: none"> <li>▪ Museums have to consider diverse ways of working. This will include developing partnerships with a variety of organisations, working across boundaries, and making innovative use of limited resources.</li> <li>▪ Museums must consider how they can increase the income they already generate.</li> </ul>

## Oriel Ynys Môn – Anglesey’s Centre for Art and History

Oriel Ynys Môn (OYM) is the headquarters of the Museums Service and is an accredited museum. It is also the base for the Sir Kyffin Williams Trust which was set up in 2006 prior to the building of Oriel Kyffin in 2008.



The Oriel has a main contemporary art gallery for established artists and the Long gallery which gives emerging artists the opportunity to showcase and sell work. The museum gives an overview of the history of Anglesey through the use of social history and especially archaeology collections. It houses the Tunncliffe gallery as the Oriel holds the biggest collection of the artist’s work worldwide. Oriel Kyffin displays the work of Sir Kyffin Williams and also other national and international artists. It also showcases work from the fine Anglesey historic art collection.

Throughout the year a variety of events and workshops are organised for young people, families and adults. Talks related to the exhibitions or collections are also organised. These events usually take place in the Tunncliffe multi-purpose room - at other times it is hired as a meeting and conference room by external users.

The Blas Mwy café is run by an external caterer who has built up a reputation for a varied menu using fresh, local produce. It is busy with regular local clientele and visitors.

The Jac Do shop is well stocked and displayed. There is wide selection of goods, particularly jewellery by contemporary craftsmen, local to the island or Wales, and many of the items displayed are on a sale or return basis. The shop is also responsible for the sale of art work in the adjacent Nyth that can be bought and taken on the day.

The Oriel is open on a daily basis from 10.30-5.00 apart from Christmas and New Year.

<b>Oriel Ynys Mon – visitor numbers</b> *education figures are included in the overall totals			
Visitor numbers	98,107	111,152	96,729

### Budget

A simplified version of the budget for the Oriel is shown below.

Oriel Ynys Mon [DB330]	2012/13		2013/14		2014/15		2015/16
	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>Total Costs</b>	587,460	601,310	601,290	598,747	576,260	627,146	583,840
Income: Trust	-230,000	-230,000	-215,000	-215,000	-215,000	-215,000	-215,000
Income: Other	-246,530	-188,349	-264,900	-216,632	-328,360	-170,398	-328,360
<b>Net Operating Cost to Council</b>	110,930	182,961	121,390	167,115	32,900	241,748	40,480

60% of Gross costs excluding income based on 13/14 actual expenditure	<b>359,248</b>
60% of Net operating costs/net cost to the council based on 13/14 actual expenditure	<b>100,269</b>

60% of Gross costs excluding income based on 14/15 actual expenditure	<b>376,288</b>
60% of Net operating costs/net cost to the council based on 14/15 actual expenditure	<b>145,049</b>

**N.B.** Figs do **not** include Depreciation

- The domestic rates appear to be high and could benefit from a re-evaluation.
- Premises related costs include repairs and maintenance, energy costs, rates and insurance costs.
- Supplies and services include goods for resale, stationery and postage, marketing and other costs.

The income from the Anglesey Charitable Trust has been reduced during this period, it was £270k in 2010/11, whilst the internally generated actual income has increased, it remains below the challenging target set by the Council [the internally generated income can be roughly categorised as café income, art sales, shop sales, room hire].

If the service had to contend with a 60% reduction in cost to the council, as noted in the Corporate Plan, then this would entail a budget reduction of £100,269 for the Oriel (based on 2013/14 actual expenditure).

In order to respond to this challenging figure the following actions would need to be taken in relation to the Oriel.

- Request a re-evaluation of the domestic rates.
- Assess whether it is possible to increase income from art sales and the shop and consider new initiatives.
- Undertake a staffing review to ensure that the structure is cost-effective and fit-for-purpose in relation to realising the priorities in the Oriel’s business plan e.g. improve marketing across the service to ensure a strong and coherent image, ensure that the volunteers are fully involved and utilised in the Oriel and across the service.

**The Courthouse, Beaumaris**

The Courthouse explores crime and punishment in the past by presenting aspects of justice and government on Anglesey.

Built in 1614 this Grade II\* listed building is an accredited museum. It is an especially fine courthouse in a prominent location, retaining important features of the 17<sup>th</sup> and 19<sup>th</sup> centuries and for its contribution to the setting of Beaumaris Castle and the historical integrity of Castle Street. The building is still used as a licensing Court once a year.



Visitors can walk through the large rectangular courtroom, stand in the original dock and view the splendour of the grand jury room. They can also view occasional courtroom trial re-enactments and watch a film about the 1862 murder trial of Richard Rowlands.

The Courthouse is open from 10.30 - 5.00, Saturday to Thursday, Easter - September and weekends and half term during October and at other times by appointment.

<b>Courthouse – visitor figures</b>			
	2011-12	2012-13	2013-14
Visitors	3668	2929	5677
Education	1040	1176	1098



## The Gaol, Beaumaris

The Gaol explores crime and punishment and social history of the past.

It is an early 19<sup>th</sup> century gaol of striking architectural character. It is a Grade 1 listed building of national importance for its well preserved interior and for retaining the only surviving treadwheel at a prison in England and Wales.

Visitors can walk along the dimly lit corridors, explore the spartan cells and places of punishment, visit the condemned cell and experience the darkness of the punishment cell. There is also a small Discovery room for activities.



During 14/15 financial year the service will begin working with at least 4 Paranormal investigation companies hiring the gaol on weekend nights. Twelve have been proposed but 14 are already booked. This could be developed for further income generation.

The Gaol is open from 10.30 - 5.00 on Saturday to Thursday, Easter – September and on weekends and half term during October and at other times by appointment.

<b>Gaol – visitor figures</b>			
	2011-12	2012-13	2013-14
Visitors	8281	8078	10,654
Education	1599	1806	1734

## Staffing + Budget

The staff for the Gaol and Courthouse are employed on a weekly basis during the season. There is a rota system to cover the 6 days of opening. There are about 5 members of staff employed to cover 2 FTE daily at the Gaol and 1 FTE at the Courthouse.

<b>Beaumaris Gaol + Court [DB335]</b>	2012/13		2013/14		2014/15		2015/16
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
<b>Total Costs</b>	53,700	50,887	63,230	59,674	64,820	64,653	65,540
Income	-53,140	-53,777	-54,210	-60,312	-61,720	-68,428	-66,520
<b>Net Operating Cost to Council</b>	560	-2,890	9,020	-638	3,100	-3,775	-980

60% of Gross costs excluding income based on 13/14 actual expenditure	<b>35,804</b>
60% of Net operating costs/net cost to the council based on 13/14 actual expenditure	<b>0</b>

A surplus of £638 was achieved in 2013/14

60% of Gross costs excluding income based on 14/15 actual expenditure	<b>38,792</b>
60% of Net operating costs/net cost to the council based on 14/15 actual expenditure	<b>0</b>

A surplus of £3,775 was achieved in 2014/15

**N.B.** Figs do **not** include Depreciation

The generated income, can be roughly categorised as admissions, shop sales and commission on sales. [See Appendix 3 for income details].

If the service had to contend with a 60% reduction in funding then this would entail a zero budget reduction based on the surplus in 2013/14. However if the more prudent net cost to the council is taken into account as per budget 2014/15 then **£1,860** would be cut from the budget for the Gaol and the Courthouse. It should be noted that these sites operate on an already minimal budget.

To achieve the above reduction the following actions would need to be taken.

- Assess whether it is possible to increase income by other means.
- Assess whether it would be feasible to further reduce opening hours, or recruit a number of volunteers, to reduce costs.
- Assess whether it would be possible and feasible to establish a partnership agreement or 3<sup>rd</sup> party agreement for the day to day running of the Gaol and Court. For this option to succeed the required building maintenance work would have to be completed . A robust agreement would have to be negotiated generally but especially concerning building repair/maintenance responsibilities.

### **Llynnon, Llanddeusant**

Melin Llynnon and the roundhouses celebrate the rich agricultural history of Anglesey.

Melin Llynnon is an accredited museum. The body of the windmill is Grade 2 listed as are some of the outbuildings.

Repaired in 1985, it is the only operational windmill in Wales producing stoneground wholemeal flour using organic wheat. It is historically very significant but partly due to its rural location it is difficult to attract visitors.



In 2007, the site was extended with two Iron Age roundhouses and planted woodland on site providing a unique insight into the life of Iron Age farmers over 3000 years ago. This was undertaken with grant money acquired in partnership with Tref Alaw Community Council. The shop was returned to the management of the service at this time.

Blas Llynnon café (outside the paying area of the site) is run by an external contractor and the old grain store has been leased out to the same as a small bakery.

The Mill is open from 10.30 - 5.00 on Saturday - Thursday between Easter and September and at other times by appointment.

<b>Melin Llynnon – visitor figures</b>			
	2011-12	2012-13	2013-14
Visitors	6583	5284	7474
Education	689	781	909

### **Staffing + Budget**

The miller / general manager is a full time permanent member of staff who works Mon – Fri out of season but works on weekends during the season as a rota system is in force during this time to cover the 6 days a week opening. Seasonal staff are employed on a weekly basis, that is 4 members of staff to cover 2 FTE daily.

Melin Llynonn [DB336]	2012/13		2013/14		2014/15		2015/16
	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>Total Costs</b>	86,500	85,851	81,620	84,271	76,270	72,406	74,280
Income	-38,630	-35,236	-39,400	-44,340	-41,390	-45,544	-41,390
<b>Net Operating Cost to Council</b>	47,870	50,615	42,220	39,931	34,880	26,862	32,890

60% of gross costs excluding income based on 13/14 actual expenditure	<b>£50,563</b>
60% of Net operating costs/net cost to the council based on 13/14 actual expenditure	<b>£23,959</b>

60% of gross costs excluding income based on 14/15 actual expenditure	<b>£43,444</b>
60% of Net operating costs/net cost to the council based on 14/15 actual expenditure	<b>£16,117</b>

**N.B.** Figs do **not** include Depreciation

The generated Income can be roughly categorised as café income, admissions, shop sales and commission on sales. [See Appendix 4 for income details]

If the service had to contend with a 60% reduction in costs to the council then this would entail a budget reduction of £23,959 for the Llynonn site. To achieve this, the following actions would need to be taken.

- Assess whether it is possible to increase income by other means.
- Assess whether it would be feasible to further reduce opening hours or recruit a number of volunteers to reduce costs.
- Assess whether it would be possible and feasible to establish a partnership agreement or 3<sup>rd</sup> party agreement for the day to day running of Melin Llynonn. For this option to succeed any required maintenance work would have to be completed. A robust agreement would have to be negotiated generally but especially concerning building repair/maintenance responsibilities.

## Section B Heritage Site - South Stack Lighthouse - Situation as at July 2014

Visitors can experience the Lighthouse Tour having followed the keeper's journey down the 400 steps on to the island.

Trinity House has a 999 year lease of the lighthouse, island, bridge and path from the Baron Hill Estates. **The Council does not own any part of the property.** The service runs Lighthouse Tours under license from Trinity House usually under a 3 year agreement. Running in parallel with this is a 25 year lease of Land on South Stack island with the responsibility for the maintenance for certain areas within the lighthouse buildings, paths and the bridge being undertaken by the Local Authority.



In 2010 the RSPB bought the café on the headland and the site lost its own shop and ticketing office. Since 2011 the service has an agreement with the RSPB to sell tickets whilst still selling tickets on the island. All the agreements have substantial cost implications and the revenue from the service's own shop has been lost.

South Stack is an iconic location. However, only a small % of the overall visitors to the RSPB Visitor centre are able to go down to the island. The operational budget does not include an adequate maintenance allocation to cover the requirements of upholding the lease agreement or any emergency health and safety costs that need immediate attention that can arise in such a hazardous location.

The Lighthouse is open from 10.30 - 5.00 on Saturday - Thursday between Easter – September.

<b>South Stack Lighthouse – visitor figures</b>			
	2011-12	2012-13	2013-14
Visitors	12,816	12,008	19,472

### Staffing + Budget

All staff are employed on a weekly basis throughout the season. The staff work on a 6 day rota system. There is a team leader with 5 members of staff, that is 3 FTE daily .

	2012/13		2013/14		2014/15		2015/16
	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>South Stack [DB320]</b>							
<b>Total Costs</b>	60,100	57,894	58,200	64,017	55,340	59,328	55,920
Income	-46,650	-42,089	-47,580	-68,608	-49,960	-59,959	-49,960
<b>Net Operating Cost to Council</b>	13,450	15,805	10,620	-4,591	5,380	-631	5,960

60% of Gross costs excluding income based on 13/14 actual expenditure	<b>£38,410</b>
60% of Net operating costs/net cost to the council based on 2013/14 Expenditure	<b>0</b>

Note in 2013/14 a surplus of £4,591 was achieved.

60% of Gross costs excluding income based on 14/15 actual expenditure	<b>£35,597</b>
60% of Net operating costs/net cost to the council based on 2014/15 Expenditure	<b>0</b>

Note in 2014/15 a surplus of £631 was achieved.

**N.B.** Figs do **not** include Depreciation

The generated income is admissions.

If the service had to contend with a 60% reduction in cost to the council then this would entail a zero budget reduction based on its surplus in 2013/14. However if the more prudent net cost to the council is taken into account as per budget 2014/15, **£3,228** would be cut from the budget for South Stack.

As a result, a discussion needs to be held with Trinity House regarding the possibility of:

Re-negotiating more favourable terms for IoACC for the remainder of the agreement or the withdrawal of IoACC from South Stack. One year's notice in writing must be submitted. For this option to succeed the required maintenance work would have to be completed

## Section C - Anglesey Archives - Situation as at July 2014

Anglesey Archives is the corporate memory and archive repository for the County Council.

### Service Aims

The principal aims of the service are to:

- Manage and preserve the records of the County Council for the council's own legal and administrative use
- Collect and preserve archives relating to the island of Anglesey as an irreplaceable legal and historical record for both present and future generations
- Provide facilities for public access to archives
- Make a difference to people's lives by providing opportunities for lifelong learning and achievement

To meet these aims the service seeks to collect, preserve, catalogue and make available to all, archives that represent the history, lives and activities of the people, communities and organisations of Anglesey through the ages whilst also storing and maintaining records which document the functions, policies, and essential transactions of the Isle of Anglesey County Council.



### Legal Background

While there is no specific statutory duty to provide a designated 'archive service', a range of legislation does place a statutory requirement on the council to properly manage the records in its care **and** provide access.

For further information about these statutory requirements please see The Statutory Basis for the Archives Service 2013 document already circulated. The statutory basis for the service is also supplemented by a number of authoritative standards that the service should achieve such as PS 5454 Environment and Security standard.

Public opening hours from 9:15-16:45 Monday, Wednesday, Thursday and Friday. 14:00-16:45 Tuesday, Saturday 9:15-13:00 first Saturday monthly.

	2011-2012*	2012-2013	2013-2014
Visitors	1,440	1,537	1,443
School/group visits	309	260	509
Visitors: corporate website	11,930	8,634	8,700
Total Visitors	13,370	10,171	10,143
Telephone enquiries	1,110	955	937
Postal enquiries	22	20	32
Email enquiries	446	348	360
Paid research requests	14	14	7

	2011-2012*	2012-2013**	2013-2014**
Requests for modern records	-	34	149
Total no. of files retrieved	-	56	608
Total no. of boxes retrieved	-	7	7
*Closed for 4 months			
** There is typically more than one file or box retrieved for each request received.			

## Staffing + Budget

Archives [DB300]	2012/13		2013/14		2014/15		2015/16
	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>Total Costs</b>	147,840	191,546	169,680	190,944	168,210	170,417	157,890
Income	-17,940	-12,914	-18,290	-19,303	-19,210	-12,906	-19,210
<b>Net Operating Cost to Council</b>	129,900	178,632	151,390	171,641	149,000	157,511	138,680

60% of Gross costs excluding income based on 13/14 actual expenditure	<b>114,566</b>
60% of Net operating costs/net cost to the council based 13/14 actual expenditure	<b>102,985</b>

60% of Gross costs excluding income based on 14/15 actual expenditure	<b>102,250</b>
60% of Net operating costs/net cost to the council based 14/15 actual expenditure	<b>94,507</b>

**N.B.** Figs do **not** include Depreciation

The generated income is shop sales, room hire and research royalties.

If the service had to contend with a 60% reduction in costs to the council then this would entail a budget reduction of £102,985 for the Archives which would make the service unsustainable. As a result, the following matters will need to be addressed.

- 1 Clarify the scope and definition of the service in relation to the management of modern records.
- 2 Address the shortfall in the archive budget so that it is able to meet its strategic aims as outlined above.

## Options appraisal

In view of the need to address the issues referred to in this report, a Museums and Cultural Consultant was engaged to assess possible options for the future. The brief specified a review of the the Museums in Section A above [Oriell Ynys Môn, Beaumaris Gaol and Courthouse and Melin Llynnon] and an evaluation of suitable service delivery options. The report was also to include a methodology on how to achieve the recommendations.

South Stack was excluded from the review as it is in effect in the ownership of Trinity House and the service is the third party there.

In the same manner, Anglesey Archives was not included in the review due to its statutory duties in relation to modern record management, its wider corporate functions and preserving the Council's corporate memory.

The options considered by the external consultant included retaining the Service within the County Council and management by a third party [either charitable or commercial]; it also included possible internal changes to help transformation. The following sections make extensive use of the external consultant's report.

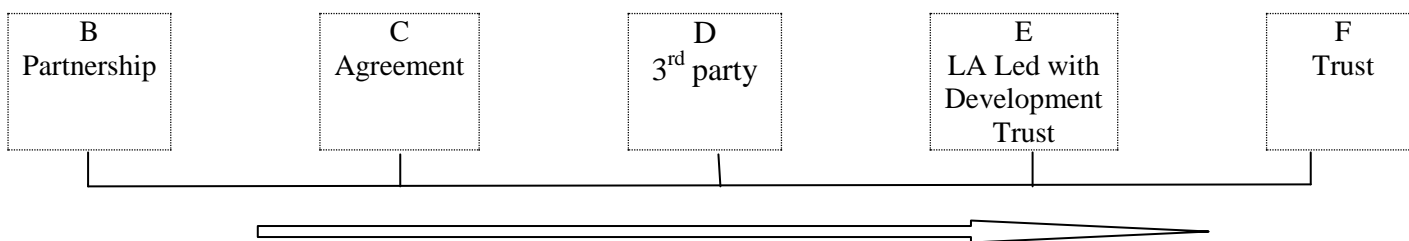
Overall, the report recommends that an independent charitable body [a new standalone independent, arm's length organisation] be formed to operate the Service but only if the Council could agree a robust 3 or 5 year subsidy to allow the fledgling body to develop and avoid failure. The report does however draw attention to the fact that it could be a challenge to recruit and retain a single board of volunteer charity trustees with the appropriate mix of skills and the necessary enthusiasm and long-term commitment to manage all the different sites. There are also substantial cost implications to setting up Trusts. In view of this, and the need for the charitable body to be established on a solid

foundation, this report recommends that partnership arrangements should be considered as an alternative management structure for the Beaumaris and Llynnon sites.

This report also suggests that in relation to

- South Stack - that a discussion be held with Trinity House regarding a revised agreement or complete IoACC withdrawal [note that withdrawal from the main 25 year agreement would require a year's notice in writing and would not be possible given timescales until the end March 2016]
- Anglesey Archives - that the shortfall in the storage function be addressed, internal corporate expectations regarding modern record management agreed and a staffing review be completed to respond to agreed expectations.

### The options to be considered



Each of the options noted above are considered below.

#### **[A] Do Nothing Retain the status quo**

It is highly unlikely that the 'Do Nothing' option is viable due to the finances of the Council. The 'Do Nothing' approach would lead to a further reduction in opening hours and thus question the long-term viability of individual sites.

#### **[B] Entering into a partnership**

As noted above, the consultant's report suggests that Partnerships could be a way forward for some sites, particularly for the two sites in Beaumaris.

#### **[C] Entering into an agreement with a third party operator**

This could include a variety of options, including partnership with the Community, with another Authority or with a Company or Charity or Trust.

#### **[D] Contract a third party operator**

Some local authorities have taken the step of 'Outsourcing' or commissioning a third party to run the service on their behalf e.g. Cannock Chase, Corinium in Cirencester by Wigan Leisure and Culture Trust.

Options [B], [C] and [D] are integral to the future of the Gaol, Courthouse and Llynnon given the required savings noted in the Corporate plan 2013-2017. The partnership approach or the 3<sup>rd</sup> party agreement needs to succeed.

If unsuccessful, the opening hours at each of the sites mentioned will have to be reduced with the possibility that individual sites could be forced to close.

### **[E] Local Authority Led Service with a Development Foundation**

The current governance arrangements of the Museums service would remain the same and so continue to be run by the County Council. All assets will remain in the ownership of the County Council.

Set up and existing alongside this would be a Development Foundation established to help secure a diverse and sustainable funding base for the future. The Charity's objects could be to support the Service and its associated activities including interpretation and learning for the benefit of the public.

Fundraising would be against an agreed annual strategy. For instance grant making trusts and foundations, corporate sponsorship and donations, individual giving and by enabling the Service to claim Gift Aid on admissions.

If the Museums Service on Anglesey did not have the capacity to undertake this set up solely then discussions could be undertaken with other Museums Services or with other departments such as Leisure within the Authority to consider alternative compositions.

### **[F] Establishing an independent charitable body to operate the Service**

This would be a total independent set up unlike that above.

There are many advantages for museums, and other cultural services, in becoming more independent from local authorities, but there are also some drawbacks. Some of these are listed below.

- Although we use the term “independent”, the local authority would still own the collections and buildings and the Trust would operate the service, leasing the buildings. A funding agreement would outline what the Council would give as a grant to support the core revenue budget and a delivery agreement would outline what they expect in return for this grant in terms of museum programming. A collections agreement would outline the responsibilities of both sides in terms of collecting, disposal and collections management. In this way, if a trust failed in the future, the collections would be protected and they would remain in public ownership, a key fact when asking the public if they would support a museum in a trust.
- A charity's assets must remain charitable *in perpetuity*, i.e. forever. This is sometimes referred to as the “asset lock” means that any surplus assets after payment of its debts cannot revert to the Council – they would have to be transferred to another charity.
- As many more Trusts are set up it is becoming more difficult to access external funding as competition becomes more fierce.

There are other key issues which would need to be addressed in moving forward. One of these relates to property leases for all of the options. For instance for Trust status if leasing the buildings from the Council – the buildings like the collections would stay in public ownership – a trust is likely to have to be responsible for at least the internal maintenance and decoration if not take full building maintenance responsibility. There appears to have been minimal maintenance of these buildings, apart from the Oriel, for several years.

Attention is drawn to the fact that options B – F will involve capital expenditure for set up costs and to ensure that the individual buildings are suitable for transfer.



## **Recommendations**

Confirm the contents of the report and authorise officers to create and undertake a plan to consult with partners, communities and the public to publish an invitation of 'expression of interest'.

1. Hold discussions with Trinity House regarding the possibility of renegotiating the present agreement or the possible withdrawal of IOACC involvement at South Stack.
2. Discuss partnership, and 3<sup>rd</sup> party agreement with relevant parties in relation to the Gaol, Courthouse and Melin Llynonn.
3. Carry out further research and viability of option E and F.
4. In relation to Anglesey Archives:
  - a Clarify the scope and definition of the service in relation to the management of modern records.
  - b Consider retaining the service within the Council and discuss moving the service to the Chief Executive's Department so that it can be better utilised to support corporate core work and emerging agendas such as Smarter Working.
5. Undertake a staffing review at the Oriel in order to develop a cost-effective structure that yields efficiency savings but also contributes to establishing a firm financial footing for the Oriel's future. A short list of options will be presented to the Executive Committee by January / February 2016 following a period of consultation.