

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET COMMITTEE**

Date 20th January 2016

1. **REPORT TITLE** **The Future Development of the Borough Museum and Art Gallery**
- Submitted by:** **Dave Adams - Executive Director (Operational Services)**
- Portfolio:** **Leisure, Culture and Localism**
- Ward(s) affected:** **All**

Purpose of the Report

To report on the options for the future development of the Borough Museum and Art Gallery along with the development of a medium to long term plan for its management.

Recommendations

1. **That a Stage One application be submitted to the Heritage Lottery Fund for the refurbishment of the Borough Museum and Art Gallery.**
2. **That a further report be submitted to Cabinet on the outcome of the Stage One application and the options for potential future operating and governance models for the Museum Service.**

Reasons

In order to further explore the possibility of obtaining significant external funding for the redevelopment of this historically important local asset and to enhance its sustainability as a museum and gallery. Without this type and level of investment the future delivery of the Museum service is uncertain. These investment plans are integral to a wider and longer term strategy to set the Museum service up using an appropriate sustainable management model that reduces the Council's asset liabilities yet secures the future delivery of Museum services in the Borough.

1. **Background**

- 1.1 The Borough Museum and Art Gallery was established in 1943 and was housed in two rooms in Lancaster Buildings until 1956 when it moved to the house known as The Firs. The Firs is an Italianate villa built in 1854/5 in what is now Brampton Conservation Area. The impressive and architecturally significant villas on the Brampton were built during the expansion of the town onto the town fields. The Firs was occupied by members of the town's growing middle classes, drapers, maltsters, earthenware manufacturers, magistrates and merchants. The Hobbergate Art Gallery, also on the Brampton, was amalgamated with the museum in 1987 when a modern extension was added to The Firs.
- 1.2 The museum houses a local history collection of some 28,000 objects ranging from medieval charters and maps to locally produced ceramics, clocks and hats, and unique 19th Century Staffordshire Toy wares. Many objects have been donated for public display as well as being acquired by the Council over many years to safeguard them for future generations. The

museum service is also concerned with making the objects accessible and available for education, research and enjoyment.

- 1.3 As a Victorian house the museum building is an attractive one but offers limitations and challenges to the service in terms of service provision, improvement and development. For example, the small room sizes are restrictive in terms of events and larger displays, the storage areas for the collections tend to be in the most remote and inaccessible parts of the building and due to the age of the house are difficult to manage in terms of controlling the storage environment for the long term benefit of the collections. Visitor flow around the building is awkward with dead ends and bottlenecks.
- 1.4 The Museum service is managed in house and supported by an active Friends Group, volunteers and local artists. It is an Arts Council Accredited Museum and the education programmes are recognised for their quality by accreditation to Learning Outside the Classroom.

2. **Issues**

- 2.1 In preparing fresh strategic and business plans for the museum service and to allow for the successful implementation of key stages of improvement plans, the following issues have been considered in detail and summarised below:

2.2 Service Case:

- What do visitors want to see that is different?
- Address current limited space for exhibits
- Address currently limited gallery space
- Improve income/revenue raising ability – café, shop, meeting space

Museums need a sharp focus on the visitor. It is no longer sufficient to be recognised exclusively for the quality of the collection; a reputation needs to be built so that the museum is a place that people want to visit, because of the experiences on offer. Undertaking a major capital improvement project for the Borough Museum is motivated by more than the need to add more space. A desire to improve services for visitors and enhance the quality of their experience are equally important factors in these plans. These in turn will drive revenue through shop sales and the opportunity to increase resilience through catering and venue hire. The Borough Museum, with financial support from the Arts Council, has already made a good start in undertaking market research to learn how to strengthen its exhibitions and programmes, formulate marketing and outreach strategies, and improve services.

2.3 Strategic Property Analysis

- Existing building:
 - Suitability for conversion/extension
 - On-going asset liability costs
 - Grant opportunities on existing site
- New building/New location:
 - Town Centre location – pros and cons
 - Civic Hub project – pros and cons
 - Grant opportunities on new site
 - On-going asset liabilities of new build

As the Council operates across multiple locations, it is very important to have a thorough and constant understanding of the quality and operating costs of its properties for there to be a proper understanding of how the Borough Museum fits into the overall property portfolio.

This gives the Council the opportunity to consider:

- Achieving cost reductions
- Implementing efficiency improvements
- Improving internal collaboration

2.4 Existing site

The current location of the Borough Museum offers both the space and suitability for redevelopment and further extension. Without refurbishment and further measures to improve resilience the costs of maintaining the museum will rise in future years. There is currently a good opportunity to attract a significant grant from Heritage Lottery Fund (HLF) given the nature of the current building in terms of both its use and heritage.

2.5 New Build/New Location

There have been discussions previously about the merits of the Borough Museum returning to the town centre, principally to bring a greater footfall into the town centre rather than to improve the service or visitor experience of the museum service. Initially a scheme was considered for the St Giles and St George's site, but the potential for European funding fell away and ultimately the outline business case demonstrated additional running costs. The idea was looked at again with regard to the Civic Hub project and after further consideration of the merits of a new site versus the existing site, the existing location was preferred.

Grant opportunities for a new site would also be difficult to advise on presently. HLF is the prime funder of museum capital development projects and successful projects tend to combine both collections and building heritage. A new building, unless iconic in its design and for a collection of national importance, (e.g. the Hepworth, Wakefield or the Turner Contemporary) would likely therefore attract significantly less external funding. A new building however will be cheaper to maintain, is likely to be more energy efficient and may include greener credentials in its design

2.6 Financial Priorities

- Potential NBC commitment (minimum 10% but may need to be more)
- Needs to be considered and prioritised alongside other Council priorities.

Newcastle under Lyme has been identified by the Heritage Lottery Fund as 'a cold spot' in terms of their investment in the area and they have formally declared the borough as a Priority Development Area for support and advice. Consequently, initial enquiries have been met with clear advice as to how to develop our project into a serious application. The basis of the application would be the redevelopment of the Museum utilising the existing historic building. As well as addressing the outstanding structural, access, and historic fabric issues, this solution would deliver a vastly improved exhibition display space, collection care, and improved visitor services and facilities. It would provide the necessary uplift of facilities and services and that would be more likely to secure external funds to supplement the Council's own resources.

An initial estimate of the overall capital cost of this option, based on industry standard refurbishment costs per m², has been estimated as ranging from £2 million for a lighter

touch scheme to £3.5 - 4 million for a more comprehensive scheme. The HLF may consider funding up to 90% of this, albeit it is highly likely that due to the demand for HLF funding nationally, a greater leverage contribution from the Council and/or other sources would present a stronger application.

2.7 Future Operating Model Options

- Potential/need for existing trust to partner with
- Develop trust from scratch – implications
- Need to develop trust concurrently with project

The Museum service is well managed by a small professional and skilled team, but in the current climate, faces the significant challenge of becoming more resilient. A change from 'in-house' management and governance therefore offers a potentially positive step change both for the Council and the heritage assets it is responsible for.

There are a range of operating models that the Council could consider such as a Trust, Community Interest Company, partnership or joint venture.

Establishing a new operating model is a major decision for the Council, therefore further reports will be submitted to Cabinet on the advantages and disadvantages of doing so, along with an assessment of the Council's readiness to commit, what the Council should look for in a new model and what will be required of all parties to make it work. With any option there is the need to develop the new model concurrently with the museum development project.

3. **Proposal**

- 3.1 The recommendation of this report is that a Stage One application should be made to the Heritage Lottery Fund to more fully explore the potential to attract external funding for a project that continues to use these assets as a heritage attraction with a vastly improved visitor experience.
- 3.2 In analysing our current situation and identifying strategic options for the future it is also proposed to consider potential future governance arrangements.

4. **Reasons for Preferred Solution**

- 4.1 In order to further explore the possibility of obtaining significant external funding for the redevelopment of this historically important building and to enhance its sustainability as a museum and gallery. Without this type and level of investment the future delivery of the Museum service is uncertain. These investment plans being integral to a wider and longer term strategy to set the Museum service up using an appropriate sustainable management and governance model that reduces the Council's asset liabilities yet secures the future delivery of Museum services in the Borough.

5. **Links to Sustainable Community Strategy and Corporate Priorities**

- 5.1 As a visitor attraction in its own right, the Borough Museum and Art Gallery has the potential to further develop the heritage of North Staffordshire by providing modern interactive exhibitions and interpretative materials that relate to the whole of the Borough.

6. **Legal and Statutory Implications**

- 6.1 There are no legal or procurement implications in making a stage one application. Once successful a further report will be brought to Cabinet to accept the offer (and conditions) of the Stage One Grant and options for the future management and governance of the service.

7. **Equality Impact Assessment**

- 7.1 If successful the project to redevelop this historic building would allow adjustments to be made that ensure full compliance with regards to access for public buildings.

8. **Financial and Resource Implications**

- 8.1 The report seeks approval to make a stage 1 application to the Heritage Lottery Fund to improve our existing practice, for example in relation to conservation management, access and audience development. Detailed business planning and the establishment of a trust would form part of developing a second round application to the HLF. There are therefore no capital funding commitments at this stage.

Officer time will be required to work up the Stage One bid to the HLF. The implications of this and any potential back fill requirement will be discussed with the relevant Portfolio Holders once the level of support required is fully understood.

There is no current provision for costs associated with this project within the Councils Capital Programme. Any future financial commitment to the project would need to be identified and considered and prioritised alongside other plans and priorities for capital funding investment as part of a future Newcastle Investment Programme.

9. **Major Risks**

- 9.1 Making a stage one application to the Heritage Lottery Fund allows the Council to more fully explore the potential to attract external funding for a project that continues to use this asset as a heritage attraction with a vastly improved visitor experience. The 'invest to transfer principle' also offers the greatest potential to improve the resilience of the Museum and reduce the cost of the operation to the Council.

10. **Key Decision Information**

- 10.1 This proposal has the potential to bring investment into the Borough and to support the regeneration of the town centres and is on the forward plan.

11. **Earlier Cabinet Resolutions**

- 11.1 None.

12. **List of Appendices**

- 12.1 None.

13. **Background Papers**

- 13.1 None.

14. **Management Sign-Off**

Each of the designated boxes need to be signed off and dated before going to Executive Director/Corporate Service Manager for sign off.

	Signed	Dated
Financial Implications Discussed and Agreed		
Risk Implications Discussed and Agreed		
Legal Implications Discussed and Agreed		
Equalities Implications Discussed and Agreed		
H.R. Implications Discussed and Agreed		
ICT Implications Discussed and Agreed		
Report Agreed by: Executive Director/ Head of Service		