

<b>Agenda Item</b>		
<b>REPORT OF</b>	<b>Planning and Economy Manager</b>	
<b>To:</b>	<b>Community and Resources Committee</b>	
<b>Subject:</b>	<b>Renewal of the Burton Art Gallery and Museum Service and Funding Agreement</b>	
<b>Date:</b>	<b>7<sup>th</sup> September 2020</b>	<b>Reference:</b>

**PURPOSE OF REPORT:**

To present the results of detailed negotiation with the Burton at Bideford Trust for the renewal of the Service and Funding Agreement to provide the next 5 years of service provision.

**1. INTRODUCTION**

In March 2014, a report was presented to Community and Resources (C&R) Committee who resolved that delivery of services provided at the Burton be transferred to an external organisation, subject to a valid business case, and in particular that financial testing is undertaken to establish the best model of delivery to adopt. Options at that time were:

- a) Umbrella trust delivering both services of Museum of Barnstaple and North Devon (MBND) and The Burton or a joint trust with MBND;
- b) A separate trust or
- c) Delivered by a third party trust.

The option of service cessation had been previously discounted as there would have been a detrimental impact on the cultural, economic and mental well being of our communities if provision of arts and cultural activities were reduced in such a dramatic fashion. It made poor financial sense as there was/ is a collection that would/will still require storage and maintenance.

Subsequently, on the 3<sup>rd</sup> November 2014 a full report and business case was presented to C&R Committee.

This full report and business case explored the following options for service delivery:

- third party
- closure of the service
- volunteer-led (reduced staffing with customer facing service delivered by volunteers)
- 15% savings on 2014/15 baseline budget (reduction of staffing and opening hours)
- establish a trust, a separate not for profit organisation, grant funded

Committee resolved to support the establishment of a Charitable Trust to run the Burton.

A five year Service and Funding Agreement was agreed between the Council and the Trust (Document attached as appendix 1). This funding agreement is due to expire at the end of this financial year and both the council and the Burton at Bideford Charitable Trust now need to urgently agree the terms of the next agreement in order that the service can be continued seamlessly. There is also a need to progress swiftly as it was intended that these



arrangements would have been agreed earlier in the year but the Covid pandemic complicated those plans. Burton at Bideford in particular require certainty of funding to be able to demonstrate commitment from the Council that will ensure additional financial assistance from the Arts Council.

## 2. REPORT

### 2.1 The Burton at Bideford Charitable Trust

Since April 2016 the Burton at Bideford has been managing the Burton art Gallery and Museum, providing services in accordance with (and beyond the requirements of) the agreed Service and Funding Agreement.

The stated aim of the Burton at Bideford is that:

*We will deliver a world-class creative destination that can both inspire and challenge people. The Burton at Bideford will be known nationally as a place to visit for a quality experience with exceptional service, accessible and welcoming to all.*

Establishing a charitable trust has given a greater level of stability for The Burton, providing the opportunity for the organisation to develop long-term planning, operate in a more business-like, responsive and strategic manner whilst the organisation grows and consolidates its role as a flagship service for the Council.

### 2.2 Financial Analysis

As previously stated, financial support from the Council is provided in return for the services required.

The table below sets out in detail the financial arrangements for the first five years of the Burton at Bideford's operation.

<b>Sharing the impact of additional cost</b>													
<b>Estimated cost to TDC if they retained the Burton</b>													
	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		5 Years
	Budget	Inflation	Forecast	Inflation	Forecast	Inflation	Forecast	Inflation	Forecast	Inflation	Forecast	Forecast	Total
	£	%	£	%	£	%	£	%	£	%	£	£	£
<b>Forecast cost to TDC</b>	158,926		163,434		165,333		167,257		169,205		171,179		836,408
<b>Contribution as per original report in Oct 2014</b>			189,958		185,587		181,749		179,598		174,775		911,667
<b>Trust share of excess</b>			10,000		8,750		7,500		6,250		5,000		37,500
<b>Funding request</b>			179,958		176,837		174,249		173,348		169,775		874,167
<b>Funded by:</b>													
<b>TDC Revenue Contribution</b>			158,254		160,082		172,919		173,348		169,775		809,820
<b>Burton Reserves</b>			21,704		16,755		1,330		0		0		39,789
<b>Total</b>			179,958		176,837		174,249		173,348		169,775		874,167

The Council has paid the Burton at Bideford £874,167 over the first 5 year period since transfer ensuring that services are delivered and opportunities maximised. (See line titled Total for a year on year breakdown of that contribution).



Over the five years of the agreement the Burton at Bideford have complied with its terms and conditions and reported positive outcome for our communities. Quarterly reports have been provided to the council and reported to Members through the Member's Bulletin.

At completion of negotiation with the Burton at Bideford we have agreed that they require £140,000 per year for at least 5 years (preferably 6 years) to provide them with the ability to look after the council's assets and deliver cultural and tourist services as set out in the agreement.

This represents a proposal for service enhancement at a 17.5% reduction of funding request on what we provided in year 5.

In cash terms year 6 of our relationship will deliver more services for a £40,000 saving on year 1.

This represents a proposal for service enhancement at a 24.9% reduction of funding request we provided in the first five years

### **2.3 Achievements since 2016 and plans for the Future**

A presentation will be provided by Judith Gentry Chair, Burton at Bideford.

## **3. IMPLICATIONS**

### Legal Implications

The Trust has operated under a suite of legal agreements, providing clear guidance for both parties.

### Financial Implications

As set out in the main report

### Human Resources Implications

There have been productivity gains released from reduced workload on the management and support services of the Council as a result of the transfer.

### Sustainability/Biodiversity Implications

A further service and funding agreement at the recommended level is considered the most sustainable arrangement for the provision and improvement of service over the next 5 years.

### Equality/Diversity

NA

### Risk Management

After a period of extensive negotiation to come to the recommended terms for the next Service and Funding agreement the primary risk is that if this is not approved there is a high degree of certainty that the Burton at Bideford would not be able to provide the required services and the Council would need to make urgent arrangements for alternative service delivery. This would come at considerable additional cost in both transition and on an ongoing basis to the Council.



If it were not possible to agree terms of a service and funding agreement an option, although one that has been previously explored and discounted in 2014 when detailed options were considered by the Council, would be to close the facility. This option was discounted because it represented a poor financial proposal, costing the council large sums in terms of decommissioning the facility, its ongoing maintenance and the care and curation of the Council's collections. These costs would all be incurred without any public access to the assets and therefore there would be no community benefit. The building would simply house the collections, remain empty and require on going maintenance all at the expense of the Council as there are no there suitably equipped spaces (temperature and humidity controlled) to adequately store those assets that the Council has a responsibility to look after.

#### Compliance with Policies and Strategies

This report compliments Torrridge's current ambition to explore the potential for savings and high quality service delivery.

#### Lead Member and Ward Member Views

Cllr Cottle Hunkin –

“Providing and supporting spaces for Arts and Culture are essential if we want to ensure a vibrant and thriving economy in Torrridge (as stated in our draft strategic plan and vision for 2020-2023). A strong arts and cultural offer contributes to economic growth, aspiration and reputation, attracting visitors, potential employees and also new businesses to an area.

As well as the positive impacts on the economy, the arts are a fundamental component of a healthy community both educationally and socially, supporting social cohesion, personal wellbeing and life satisfaction. They provide spaces for communities to come together to appreciate, enjoy, admire, learn and think differently about the world around them.

The importance of Arts and Culture is undeniable and multifaceted and as such I would like to see this Council support the Burton and the arts and cultural sector across the District.”

Cllr Christie –

The Burton represents the jewel in Bideford and Torrridge's cultural offering. It has a national standing and clearly attracts both locals and tourists because of its excellent reputation.

It provides a focal point within the town and is the only wet weather attraction that is open all year round. It is an important exhibition space for the many artists in Torrridge as well as being a marvellous display space for the Council's cultural and historic artefacts.

I am more than happy to support the continuation of our agreement with the Burton at Bideford.

Cllr Bushby –

Reading the report it would seem we are making a significant saving with the new funding agreement, how this has been achieved it does not say but I will ask the Chair of Trustees at committee.

Having used the Burton many times this year I am of the opinion that it is a great asset to the district and the town in particular and am more than happy for the new arrangements to proceed.



Cllr McGeough –

Comment to follow

#### 4. CONCLUSIONS

Since 2106 the Burton at Bideford Trust (with Burton Enterprises as their trading arm) has successfully delivered against the terms of the existing Service and Funding Agreement. In partnership we have:

- ensured a close relationship between the Council and the Charitable Trust
- protected and enhanced heritage assets and improved access to them
- delivered ongoing financial savings by exploiting fundraising opportunities
- improved service quality through an arm's length approach
- increased activity through increased flexibility
- developed the service model and expanded our audience reach

Confirming a new Service and Funding agreement as requested with the Burton at Bideford provides a long-term solution to museum provision for Torrridge, not a short-term fix. It enables the Council to have a continuing and formal relationship with the service through a partnership delivery plan and a collections agreement. It also allows the charitable trust to plan for service improvement that will deliver benefits far beyond those that could have been provided had the service remain in house.

It also represents the best option for protecting our heritage and cultural assets, making them more valuable to the community they belong to.

As at the point of transfer in 2016, in 2021 the Burton at Bideford requires a robust and certain funding package in order to plan, grow, thrive, and maximise its income generation potential. It is suggested that the Service and Funding Agreement should be for a period of at least 5 years, with review after three years, and renewable every five years thereafter. The Burton at Bideford will provide the Council with quarterly updates on activity and performance and this will contain information about how the organisation is delivering the cultural development outcomes required by the Council.

The service's remit and ambition would remain, continuing to support tourism and the local economy, but the Burton at Bideford would be in a position to grow these ambitions developing The Burton as a cultural flagship for the area.

Even though the funding required is considerable, an extension of the Service and Funding Agreement at the recommended level represents the most viable and cost effective way to ensure service delivery and improvement over the next 5 years and beyond. What is being proposed represents a service improvement at a less cost to the Council than current arrangements.

The Council's contribution to the first 5 year agreement was £874,167. It is proposed that the next five year agreement would cost the Council £700,000.

The Burton at Bideford would prefer a 6 year agreement at the same rate of funding and Members might give some consideration to that if they wish.



## 5. RECOMMENDATIONS

This report recommends that:

1. A renewable five year Service and Funding Agreement is established and agreed with the Burton at Bideford with provision for review in year 3 to set out the terms of the next 5 year agreement.
2. A contribution of £140,000 per year for each of the five years of the agreement be agreed.

## SUPPORTING INFORMATION

	Consultations:	Chief Executive, Senior Solicitor and Monitoring Officer, Interim S151 Officer Councillor Cottle Hunkin Ward Members Burton at Bideford ,Chair
	Contact Officer:	Sean Kearney
	Background Papers:	- October 2014 C&R Report

