

**York Museums Trust – Additional Briefing Report**

**Summary**

1. This report presents an additional briefing on the formation of York Museums Trust, as requested at the last meeting of this Committee. Based on this additional information and all the information previously provided, the report asks Members to decide whether or not they wish to proceed with a scrutiny review of the topic proposed by Cllr Watson.

**Background to Report**

2. In 2002 City of York Council entered into a partnership agreement with the newly constituted York Museums Trust (YMT) in order to ensure the long-term stability and prosperity of the City's museums and collections. The background to the decision to create YMT (a company limited by guarantee with charitable status) was the need to turnaround the business performance of the museums which had been losing an average of 37,000 visits every year over the previous ten years and were costing an extra £120k each year.
3. In November 2011, this Committee received a topic assessment report presenting a York Museums Trust scrutiny topic proposed by Councillor Watson, together with background information on the formation of the Trust and its performance. The report asked Members to decide whether or not to proceed with the review.
4. At that time, the Committee requested an additional briefing paper providing information on the Trust's relationship with the council and the structures in place, and the original Executive report from July 2002 setting out the purpose of the Trust - see Appendix A.

**Consultation**

5. The additional information set out below has been provided by the Assistant Director Lifelong Learning & Culture.

## **Additional Information / Update Provided**

6. The Executive agreed on 26 July, 2002 to transfer operation of the museum service to the York Museums and Gallery Trust (YMT). By that date, YMT had already been formed, by a group of York citizens, as a company limited by guarantee with charitable status, governed by a board of trustees comprising a chair and ten to twelve members including two Councillors, a nominee of the Yorkshire Philosophical Society (YPS), and an individual nominated by the unions in consultation with the staff. YMT also has a trading company which covenants all profits back to the parent charity.
7. The key principles of the transfer were:
  - YMT would manage the Art Gallery, Castle Museum, St Mary's Church, and the Yorkshire Museum and Gardens.
  - The Council would retain ownership of the buildings and collections. It would loan these to YMT through formal agreements. In the case of those assets that are subject to existing trust deeds the Council would be the custodian trustee and YMT the managing trustee.
  - TUPE would apply to the transfer of staff.
  - YMT would continue to provide the residents of York with free entry to the main collections.
  - Agreements between the Council and YMT would ensure that the Council's expectations and outcomes would be met.
8. The key agreements that govern the legal relationship between YMT and the Council are as follows:
9. **The Memorandum of Association:** This document describes the Trust, its reasons for existing and its charitable objects. It is based on a standard model and is intentionally broad in order to give the Trust all necessary powers to be able to function as an independent organisation. (See Annex 2 to Appendix A)
10. **The Articles of Association:** These prescribe how YMT operates as an organisation. With regard to the appointment of trustees it sets out that in every notice for an annual general meeting, the Board shall set out its requirements for the skills, qualities and experience which it needs from its members. The notice shall state the extent to which those requirements are met by those Trustees continuing in office and those retiring and intending to re-offer themselves for election.

11. In exercising their powers to nominate, appoint, reappoint, elect, re-elect, approve and dismiss Trustees, both the members and trustees shall seek to ensure that the Board of Trustees is representative of the local community and users of the services and facilities offered by the Company and also comprises persons with a broad range of skills and who are likely to contribute to the Company's success. The specific way that YMT will carry out its business is also covered in the Partnership Delivery Plan at paragraphs 10 –19 (See current PDP at Appendix B).
12. **The Funding Agreement:** This sets out how the Council funds the Trust. The 'Partnership Delivery Plan' (PDP) section sets out what YMT and the Council agree will be delivered, the targets it will reach and the reporting arrangements that are proposed. (See Appendix B for the current PDP).
13. **The Transfer Agreement:** This document formally transferred to YMT the activity of providing museum and gallery services together with the staff and the assets.
14. **The Leases:** Separate leases were agreed in respect of the Art Gallery, the Castle Museum, St Mary's Castlegate Church, the Fulford store and the Birch Park store. The term is 35 years from 1 August, 2002 and the rent is a peppercorn. A licence was granted for the Darnborough Street store which was subsequently surrendered by YMT. YMT subsequently entered into a lease in its own right for the James Street store.
15. **The Collections Loan Agreement:** The agreement provides for a loan period of 25 years and sets out the Trust's obligations. A collections management protocol forms a schedule of the Funding Agreement and sets out how the collections are to be managed. YMT collects only on behalf of the Council. A new Acquisition and Disposal policy was agreed with the Council in 2005.
16. **The Scheme for the Yorkshire Museum and Gardens Charity:** The Yorkshire Museum and Gardens were originally owned and operated by the Yorkshire Philosophical Society (YPS). In 1960 the YPS formed a charity, the Yorkshire Museum and Gardens Charity, vesting the assets in York City Council as sole trustee. The scheme governing the charity provided for the City Council to administer the assets but gave the YPS a significant oversight role within the management arrangements. Trusteeship subsequently passed to North Yorkshire County Council. When it returned to City of York Council in 1996 the Council attempted to fulfil the terms of the scheme through its newly formed, unified

museums service. This caused significant tension with the YPS. It was clear that a new scheme was needed.

17. Once YMT was up and running a new scheme for the Yorkshire Museum and Gardens Charity became imperative. Unfortunately it took 7 years to negotiate this new scheme with the YPS and the Charity Commission during which time YMT had to operate the assets under a licence from CYC.
18. The new scheme and heads of agreement are attached at Annex C. Under the new scheme the Yorkshire Museum and Gardens Charity forms part of York Museums Trust for the purposes of registration and accounting. This means that YMT only have to file a single set of accounts rather than a separate set for YMT and the Yorkshire Museum and Gardens Charity respectively.
19. **The Kirk Deed:** The Charity Commission required that this be updated (See Annex D).

### **Options**

20. Based on the information provided at the last meeting, Members agreed it would not be appropriate to scrutinise the work of the Trust and their internal processes as suggested in Cllr Watson's topic registration form.
21. However, having taken into account the additional information provided above, Members may choose to scrutinise whether the grant allocated by the Council is delivering the outcomes that have been requested. This could include looking at the measures and indicators in place to ascertain whether the use of the grant matches the council's priorities and is achieving value for money.
22. Alternatively, it may be possible to do this via the bi-annual performance update reports this committee continues to receive from the York Museums Trust, making it unnecessary to proceed with a scrutiny review at this stage.

### **Council Plan 2011-15**

23. The success of the Yorkshire Museum Trust and its business plan contributes to the council's priority to create jobs and grow the economy, through its investment in the tourism infrastructure. It also provides opportunities for learning, for young people across the city.

## Risk Management

24. If a decision is taken not to proceed with this review, and the concerns of Cllr Watson about the collections prove to be correct, there is a risk to the council that the cataloguing of those collections may not be completed in line with the Partnership Delivery Plan. If a review of this topic were to go ahead, this risk could be mitigated. Members need to take into account whether the balance of evidence available for Cllr Watson's concerns is sufficient to warrant allocating Council and YMT resources to undertaking a scrutiny review.

## Recommendations

25. Members views are sought on whether to proceed with a review. Should Members decide to go ahead with the review, Members are recommended to:
- i. Agree a suitable review remit and identify a timeframe for the review's completion.
  - ii. Revise the Committee's workplan accordingly

Reason: To ensure compliance with scrutiny procedures and protocols.

## Contact Details

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**Report Approved**



**Date**

9 Jan 2012

### Wards Affected:

**All**



For further information please contact the author of the report

### Background Papers:

YMT Performance Update Report dated 28 September 2011  
Topic Assessment Report dated 7 December 2011

### Annexes:

**Appendix A** – Executive Report July 2002

**Appendix B** – Current Partnership Delivery Plan 2008-13

**Appendix C** – Scheme for the Yorkshire Museum and Gardens Charity

**Appendix D** – The Kirk Deed