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**Cabinet**

6 December 2011

Report of the Cabinet Member for Leisure, Culture and Social Inclusion

## **York Museums Trust Funding 2013-18**

### **Summary**

1. This report asks the Cabinet to agree core funding for the York Museums Trust for the period 2013 to 2018.

### **Background**

2. In 2002 the 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 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 around £120k more to run each year.
3. A business plan was agreed for 2003 to 2008 and this was updated for 2008 to 2013. YMT's key achievements against the main outcome areas agreed with the Council have been:
  - **Stabilising visitor figures:** Visitor numbers have risen from 387,000 in the first full year of operation to 641,000 in 2010/11 (which included a period of 4 months when the Yorkshire Museum was shut for refurbishment).
  - **Delivering new income streams:** YMT has increased the diversity of their income streams and their overall income. In 2002 the Council's grant accounted for over 50% of YMT's income; in 2011 it has reduced to less than 30% of income with admission charges, *Renaissance in the Region* funding, and other trading income making up the remainder.
  - **Developing new exhibitions and interpretive service:** There is now an excellent programme of activities at all the sites managed by the Trust. Partnerships with the Arts Council: England, The Tate and the British Museum have not only brought the best of national collections to York but have also shown

York's collections regionally and nationally. The Trust's Learning support team have won awards and plaudits for their interpretation and informal learning programme. The Trust contributes to wider city initiatives including Illuminating York and the Viking Festival and, in 2012, it is one of the partners delivering the York Mystery Plays.

- **Upgrade the building assets:** YMT has so far raised approximately £7m which it has invested in the Council's buildings, gardens, public programmes and collections.
- **Increase use and involvement by residents:** Visits by York residents, free of charge, reached 112,000 last year. Of this figure 6,000 were from York school children from over 50 state and independent sector schools. A volunteer programme introduced in 2009 has over 200 active volunteers at any one time, and working with the H.E. sector the trust hosts over 20 student placements annually. They have an active inclusivity programme supported by the Joseph Rowntree Foundation, Arts Council: England and Renaissance in the Regions.
- **Achieve high visitor satisfaction:** The Trust has successfully retained the Visitor Quality Assurance standard and their own visitor survey show that visitor satisfaction is consistently above 96% with an average 98% of visitors willing to recommend the visit to others.
- **Ensure the cataloguing of the collections:** The agreed programme of retrospective documentation is on target. The Trust team has also developed an acquisitions programme to reflect the history, science and culture of the city and region.

4. Funds raised have been used to:

- Completely refurbish art gallery space, removing all admission charges, and increasing visitor numbers by 100,000 p.a. The collection of British Studio Ceramics in York is now the largest outside London and represents around 3,500 pots plus an important archive of 20<sup>th</sup> century potters.
- Create a vibrant museums education provision with 3 new learning posts
- Tackle the problems in collections management through a new Directorate of Collections
- Strengthen the curatorial team with new posts in archaeology and natural history

- Re-fit the entrance to the Castle Museum, resulting in a much more appealing space and a higher retail spend per visitor
  - The Castle Museum has been re-displayed in part. Film and voice based on real people powerfully tells the stories of the Debtors prison and the 1960s exhibition has brought the social history remit of the museum up to date. Kirkgate has been refreshed with new interpretation with sound and light.
  - Yorkshire Museum has had a 3.2m refurbishment with an entirely new lay out and a redisplay of the museums collections. A specially commissioned History of York Video is now available to all visitors in the Tempest Anderson Hall. The display space now has a much lighter and more open and flexible feel and visitors can appreciate the grandeur of the building itself.
  - Yorkshire Museum Gardens: YMT have started a programme of investment in the planting and labelling, to restore the botanical garden and to open up the garden for more sustainable and flexible use. There are currently plans to remove the hutments to the rear of York Art Gallery and provide a new public green space and access to this area. In 2012 the Museum Gardens will play host to the York Mystery Plays for the whole of August.
  - Develop a new contemporary art venue in the city at York St Mary's showcasing the best of international contemporary artists and developing a programme of events to support major festivals in the city.
  - Achieve accreditation for all of YMT museums, an important marque of quality within the sector
5. The Trust has recently employed independent assessors DC Research to undertake an impact assessment of their business. This found that:
- YMT injects at least £6.4m annually into the regional economy supporting 100 full time equivalent jobs for York people
  - The economic impact of visits to YMT venues is worth at least £15.5m per year to the York economy, the equivalent of 196 full time jobs supported in the York economy
  - This represents a 'return on investment' of around £10 of impact for every £1 invested by City of York Council
6. The legal agreement between the Council and YMT provides that the level of 5-year core funding for 2013 to 2018 must be agreed now. The purpose of this paper is to explain YMT's current financial

position, its business and capital plans, and to make the business case for continued revenue funding.

### **Current Funding Position**

7. The Council has provided stable funding to YMT since 2002. Over the last ten years YMT has also successfully bid for *Renaissance in the Regions* funding from the MLA (Museum Libraries and Archives Council). Last year the Trust received over £700k from *Renaissance in the Regions*.
8. Following the transfer of the MLA functions to the Arts Council England (ACE) there is considerable uncertainty as to the future of this funding. From April 2012 this fund will be divided up amongst a small number of museums services and the Trust is currently bidding to be one of these. It is important to note that ACE will not act as a 'gap' funder replacing monies cut from the normal core funder, in this case the Council. The outcome of this bid will be known in January 2012.
9. As noted above, YMT has also been successful in developing new sources of income for example developing the Hospitium as a conferencing and weddings facility.
10. Stable funding from the Council combined with YMT's entrepreneurial approach has facilitated the significant achievements set out above. The sharp reduction in government funding to local authorities and the Council's challenging financial circumstances, however, mean that it is now necessary to ask YMT to bear a significant budget reduction and to seek to maximise its income from other sources to minimise the impact on the services. It is therefore proposed that the Council's grant is reduced by 25% which, based on 2011/12 figures, would mean a reduction to £1,130k per annum for 2013 to 2018. Inflation uplifts would be applied over the five years as previously.
11. Given that the outcome of YMT's bid for replacement *Renaissance* funding will not be known until January next year, as set out in paragraph 7 above, and that the outcome is highly significant to YMT's overall funding and consequent business plan, it is proposed that negotiation of the detailed Partnership Delivery Plan takes place after the outcome is known and is reported to the Cabinet Members for Leisure, Culture and Social Inclusion in June next year.

## **Development Plans**

12. Given the uncertainty over revenue funding it is imperative that YMT is able to continue the development of the Council's museums over the next 5 year period in order to strengthen its business position and its ability to operate more independently and with reduced public subsidy. Its exciting plans are described in the following paragraphs.

### **York Art Gallery and Museum Gardens:**

13. YMT intends to position the York Art Gallery as one of the top art galleries in the North and to create a major new visitor attraction for the city. The exhibition space will be increased by 60% and there will be improved public facilities such as learning studios, café, shop and toilets. This will involve expanding into the part of the building occupied by York City Archives, by creating a new gallery above the Main Gallery into the previously hidden roof space, and by developing the spaces within the 1952 extension to the rear of the Gallery.
14. The additional gallery spaces will enable the display of the internationally important collection of 20th and 21st Century ceramic collections and the designated picture collections as well as having the suite of ground floor galleries to mount major exhibitions. YMT has been left a substantial private legacy to seed-corn this project and will be making bids to Arts Council England, and trusts and foundations for match funding. YMT expect the gallery to close at the beginning of 2013 and reopen at Easter 2015. Creating new gardens to the rear of the gallery with new access and connectivity across the whole of the St Mary's Abbey site are an integral part of the development.
15. Discussions are currently underway to enable the current city centre free Wi-Fi zone to be expanded to include Museum Gardens. It is hoped that work on this could take place prior to summer 2012 to ensure coverage during the hosting of the Mystery Plays in August 2012.
16. A bid has been submitted through the Council's capital allocation process (CRAM) for £510k spread over 3 years to support York Art Gallery and Museum Garden expansion project. Council capital support will be essential to establishing the credibility of the project with other key funders and to leveraging their support.

### **Castle Museum:**

17. YMT recognises that the key to its financial future is the continuing popularity of York Castle Museum, and that the Castle remains so

popular because YMT have been able to refresh the visitor offer there every year so that it remains a 'must see' attraction. The highlight for most visitors to the Castle Museum is Kirkgate, the recreated Victorian street. YMT has refreshed this over the years, and now feel that is the time to extend the street, and introduce visitors to 'real' people who tell us more about life in the Victorian age. This is involving public consultation and partnership working with the Rowntree Society, the two universities and many more local interest groups. This will be funded by *Renaissance in the Regions* and is due to reopen in April 2012. The project will also involve the refurbishment of the public toilets.

18. The second Castle Museum project is to open up the green and riverside areas behind the museum, comprising the medieval Castle, the River Foss and Raindale Mill. This will enable a walk way along the river, a flexible event space, an area promoting wildlife conservation, and the area next to the Mill having a suitable 19th century garden added. Visitors will also have the opportunity to see areas of York Castle that are currently 'out of bounds' that will be interpreted. This project is also funded by *Renaissance in the Regions* and will be completed by April 2012.
19. The third and most ambitious part of the Castle Museum capital project is to create new gallery spaces across the whole of the first floor of the Debtors Prison. This will involve moving the current office, meeting and learning spaces to the second floor. The project is called 1914 and will look at how life changed during the period 1914-1918 due to the impact of the First World War. As well as new galleries with flexible display cases and spaces being created, YMT will also install a lift, which will be the first lift in the building, allowing a more accessible museum. This project will cost more than £2m. A bid will be made to the Heritage Lottery Fund and other funding bodies. This project will open in spring 2014. The Stage 1 HLF bid for £1.3m has been successful.

### **Options**

20. In setting the funding for the period 2013–2018 the Cabinet can:
  - a) Agree funding at the level proposed in paragraph 10 above, or
  - b) Agree a different level of funding

### **Analysis**

21. Providing partnership funding for 2013 to 2018, albeit at a reduced level, will provide YMT with a clear base going forward. YMT has set out clear ambitions to work with other partners in the City to

contribute to a city of world class culture. Following on from the Cultural Quarter Scrutiny Report YMT has made huge strides in developing plans for the York Art Galley and Exhibition Square and is working collaboratively on the 2012 Mystery plays. Provided that the Council is able to support the York Art Gallery project with capital funding YMT will be able to move forward with confidence and attract funding from other sources in order to secure its business position.

### **Consultation**

22. York Museums Trust have asked the council to consider a reduction in funding limited to 20% which, based on 2011/12 figures, would mean a reduction to £1,205k per annum.

### **Corporate Objectives**

23. In negotiating a new Partnership Delivery Plan (PDP) with YMT for the period 2013-18 the Council will be able to commission a range of actions that further the outcomes of the Council Plan notably:
- *York will have an enhanced role as a World Class City recognised as a great place to invest, visit, do business:* The PDP will have clear targets to develop world class visitor attractions particularly the new York Art Gallery
  - *There will be a strong volunteering infrastructure with increased levels of volunteering in the city:* YMT have greatly expanded volunteering activity in the museums and will continue to develop this
  - *We will achieve safe, resilient and cohesive communities:* YMT will continue to involve communities in the development of their services and to develop the city's museums to increase civic pride and participation
  - *We will establish an appropriate community infrastructure:* YMT will continue to invest in high quality community facilities
  - *We will consult with young people to build Communities where young people flourish:* There is potential for YMT to continue to increase the range of its provision tailored to the needs of young people

### **Implications**

#### **Finance:**

24. YMT has received the same base level of grant since 2002 with increases and decreases applied in line with the inflation assumptions made in the Council's budgeting process. (This stable funding position compares with 10 years of increased Council

expenditure on museums prior to the establishment of YMT). The grant in 2011/12 is 1,507k. The reduced grant level will commence from April 2013.

25. In agreeing funding for 2013-18 members would be pre-committing resources ahead of the budget process for the period in question, in the same way that they did in 2002 and 2006.
26. A bid has been submitted through the Council's capital allocation process (CRAM) for £510k spread over 3 years to support the York Art Gallery and Museum Gardens expansion project. This bid will be considered through the Council's budget process in the normal way.

### **Equalities:**

27. As part of the process of detailed delivery planning with YMT we will be ensuring that the requirements of the 2010 Equalities Act and the Public Sector duty are fully addressed.

### **Other Implications**

28. There are no additional Human Resources, Crime and Disorder, IT, Legal, Property or other implications arising from this report.

### **Risk Management**

29. If the funding available to YMT is not adequate there is a risk that:
  - ❖ Confidence will be lost, external funding opportunities will dry up, and the service will return to a cycle of decline
  - ❖ YMT will then not be able to achieve the visitor numbers set out in the business plan. No surpluses will be generated and YMT will not then be able to generate their own capital contributions
  - ❖ The Council may be faced with significant capital liabilities on the buildings, and requests for further dowry payment
30. The situation will need to be monitored especially in the light of the outcome of YMT's funding application to the Arts Council (England).

### **Recommendations**

31. The Cabinet is asked to:
  - Agree in principle to core funding for York Museums Trust for the period 2013 to 2018 as set out in paragraph 10 and to include appropriate provision in its proposals to Council as part of the Council's budget setting process.



- Instruct officers to negotiate a detailed Partnership Delivery Plan with YMT to be brought back to the Cabinet Member for Leisure, Culture and Social Inclusion in May next year.

In order to continue the development of the Council's museums and art gallery.

### Contact Details

<b>Author:</b>	<b>Chief Officer responsible for the report:</b>		
Charlie Croft, Assistant Director (Communities and Culture)	Sally Burns Director of Communities and Neighbourhoods		
	<b>Report Approved</b>	✓	<b>Date</b> 23.11.11.
<b>Specialist Implications Officer(s)</b>			
<b>Wards Affected:</b>			<b>All</b> ✓
<b>For further information please contact the author of the report</b>			

### Background Papers:

1. *Establishment of the Museums Trust* – report to the Executive 26 July, 2002
2. *York Museums Trust Funding* – report to the Executive 30 May, 2006