

JOINT MUSEUMS COMMITTEE 9 MARCH 2016

SHARED SERVICE – HOSTING

Recommendation

- 1. The Museums General Manager recommends that the financial issues to be addressed in relation to proposed changes to shared service management and funding be noted.**

Background

2. The Joint Committee received a preliminary report on the proposal to change the hosting arrangements for the shared service at their meeting in November 2015, following a workshop held for members of the committee in October. The Joint Committee authorised relevant officers to develop proposals in advance of a report to the cabinets of both Member Authorities.
3. Further examination of the extent and scope of the financial decisions required to deliver this work has been undertaken. Some elements would need attention in any circumstance and others are driven by the particular requirements of current projects. All the areas identified will need to be reflected in a new partnership agreement between the two Councils.
4. The financial contribution of both partners was established in 2010 on the basis of a 61% (Worcester City) and 39% split (Worcestershire County Council). Since then this percentage has been affected by the requirements for savings and the impact of future reductions also needs to be addressed.
5. In addition the commitment to a base level of revenue support for the Hartlebury project will require a separate funding agreement with Hartlebury Castle Preservation Trust to be completed. It has been proposed that this will include the retention of some operational funding by the County Council from the budgets currently delegated to this committee. This will ensure the financial model for the Hartlebury site can be supported and developed as defined in the current business plan and previously agreed as part of the HLF application.
6. It has also been proposed that the provision of management, marketing and other museum support to Hartlebury will then be defined in the new shared service partnership document between the County Council and the City Council, as a specific service level agreement. Further work is required to establish the impact of such an arrangement on management structures in future.
7. The following tasks will also need to be completed to ensure the financial arrangements can be implemented effectively:

- a. Prepare a revised 2016-17 (subject to timing) and 2017-18 budgets and the partners to agree a baseline % contribution;
 - b. Agree any variations to the current partnership agreement including the treatment of future budget reduction plans;
 - c. Determine the current contractual requirements in relation to grant aid and other external funding;
 - d. Assess the impact of hosting changes on VAT and the cultural exemption position;
 - e. Agree the recharges for hosting the support services;
 - f. Establish any workforce implications including pensions;
 - g. Review the treatment of property budgets; and
 - h. Identify the transitional funding required to complete the switch in hosting e.g. IT requirements.
8. The full programme for the project is still being developed by both Councils and will be the subject of a report to the next joint committee.

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Background Papers

In the opinion of the proper officer (in this case the Museums General Manager) there are no background papers relating to the subject matter of this report.