

REPORT TO: Scrutiny Economy Committee and Executive
Date of Meeting: Scrutiny Committee Economy - 26 June 2014
Executive - 15 July 2014
Report of: Assistant Director Economy
Title: Update on Consortium Bid for Major Arts Council Funding
for the RAMM

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Yes

1. What is the report about?

1.1 This report outlines the content of RAMM's bid to the Arts Council Major Partner Museum Grants Programme, 2015/16, 2016/17 and 2017/18. The application was submitted on 14 March 2014 in line with the ACE application deadline and following consultation and authorisation from Senior Officers, Portfolio Holders and Deputy Leader.

2. Recommendation:

2.1 Scrutiny Committee Economy notes and Executive endorse the contents of this report as an information briefing offering background and a level of detail to Arts Council England's announcement in July of the successful bids as this is likely to draw national media coverage.

3. Reasons for the recommendation:

3.1 This is a very significant national announcement since it identifies the core group of larger regional museums that will benefit from major investment from central government (Department of Culture, Media & Sport). These funds are awarded and distributed by Arts Council England (ACE). The funding is focussed on operational (rather than capital) activity and competition to secure a place in the group of Major Partner Museums (MPM) is intense. As part of a peninsula consortium with Plymouth, RAMM has derived huge benefit from being an MPM 2012-15. The funding has enabled a scale of activity and partnership at UK/regional/local levels which has helped the museum to win further awards and a national profile that directly contributes to the local economy by enhancing the city's destination offer and its promotion as a regional centre, offering a rich quality of life attractive to inward investment. (See section 4 for a calculation of RAMM's economic impact). ACE funding has averaged £571,176pa to RAMM over the three year period 2012-15.

3.2 This MPM funding has allowed RAMM to fulfil its role as a 'cultural flagship' for the city, the operational funding provided by ACE funding exhibitions, events and activities which make maximum use and deliver maximum public benefit for ECC's capital investment in the building. This would not have been possible without this funding, given the current financial climate facing local authorities. This issue remains a high risk concern if RAMM's 15-18 MPM application is unsuccessful. Loss of MPM funding would have a very dramatic effect on RAMM's public facing and 'back of house' activity. Services and staffing would need to be downsized and remodelled to fit much reduced budgets. This exercise would bring with it a reputational challenge, given residents' expectations of RAMM are now very high. There would also be implications for key indicators such as visitor numbers and corporate hire of spaces.

3.3 A negative impact would also be felt regionally as RAMM and Plymouth Museum both serve populations in a much wider hinterland.

4. What are the resource implications including non financial resources?

4.1 A successful bid brings additional financial resources to the City Council. This significant 'leverage' return on ECC's museum expenditure of £2,323,984 in 2013-14 generates £539,838 ACE income plus £148,215 additional funds from other sources. At present it is not possible to specify the precise level of the 15-18 funding as ACE will on 1 July provide an 'in principle' agreement to MPM 15-18 funding. There follows thereafter a period in which it will work with successful applicants to agree programmes of work and associated funding. There is an iterative process which will be concluded by March 2015 in time for the start of the funding period.

4.2 Levels of 15-18 funding are expected to show some variance from that received in 12-15 as ACE has received reductions in its own funds for distribution and may also consider enlarging the MPM group from the current 16 members. As an indication only, funding received by RAMM from ACE in the 12-15 periods were 12-13 £635,191; 13-14 £539,838; 14-15 £538,500. ACE is itself also subject to the outcome of the Government's Comprehensive Spending Review so will only be in a position to agree funding levels for 15-16 with successful applicants. The following two years 16-17 and 17-18 will be 'in principle' totals, dependent on the Comprehensive Spending Review settlement.

4.3 An unsuccessful bid will also have resource implications with 'scaled back' services and reduced income generating capacity (corporate hires/ other project funding); diminished ability to collaborate in partnership, to reach breadth and range of audiences, and a consequent impact on the role the museum is able to play within the city as a complement to its retail and tourism offer. The current annual economic impact of the Museum has been calculated as £7.4 million by city visitors who included RAMM as part of their trip to Exeter or £2.3m for visitors for whom RAMM was the principal reason for their visit to Exeter.

4.4 ACE regards their investment in Major Partner Museums as partnership funding, sitting alongside that of governing bodies (in our case the local authority's revenue support). ACE label their funding as 'additionality'. It is not permitted to use the funding for subsidy or replacement purposes and ACE have a number of checking and monitoring mechanisms in place to prevent this happening.

4.5 The commitment and ambition of governing bodies with regard to their museum is one of the assessment criteria used by ACE to select MPMs. Exeter City Councils' understanding of culture as a driver for economic development and the prosperity and quality of life of the local community, lends its MPM application particular strength.

4.6 ACE recognises and understands the financial challenges facing local authorities, but at the same time in sifting a large number of competitive applications, will be assessing the financial commitment of its prospective partners. It expects to see an appropriate level of partnership funding and requests sight of outline organisational (revenue) budgets for 2015-16, 2016-17 and 2017-18.

5. Section 151 Officer comments:

The funding generated helps to offset almost a fifth of the Museums annual expenditure. In the current financial environment the Council would not be in a position to offset the loss of funding leading to a substantial reduction in the Museum provision.

6. What are the legal aspects?

- 6.1 The Council will be required to enter into a Funding Agreement with the Arts Council for England. Funding is conditional on a number of factors including delivery of an agreed Programme of Activities with detailed outputs, along with a business plan (showing how programme will be delivered and how effectively the organisation is managing its affairs). Quarterly monitoring and annual reporting against nationally set performance indicators will form part of the agreement. The funding agreement may also have requirements around achieving particular targets, for instance around reaching specific audiences; diversity and sustainability. These conditions will be agreed and specified during the period that follows ACE's announcement on 1 July. Although these conditions may vary in detail from those applying to the 2012-15 programme, RAMM's experience of meeting these requirements means it has the systems in place to fulfil these aspects of the agreement.
- 6.2 The Funding Agreement is likely to be in line with that for 2012-15 which gives Arts Council England absolute discretion to withhold or demand repayment of all or part of the grant should the Council breach the terms and conditions of its Funding Agreement.

7. Monitoring Officer's comments:

- 7.1 Given the conditional nature of any funding offer which may be made, it is recommended that Legal Services scrutinise and approve any funding agreement to be entered into by the Council.

8. Report details:

8.1 Background

- 8.1.1 This report describes RAMM's bid as part of the MPM Peninsula Consortium to the Arts Council England's Major Partner Museum Programme.
- 8.1.2 The Major Partner Museum Grants Programme is administered by the Arts Council England distributing sector specific funding from the Department of Culture, Media and Sport. The programme runs in parallel to a similar but separate scheme making grants available to arts organisations. These are known as National Portfolio Organisations.
- 8.1.3 Through its museum programme the Arts Council wishes to enter into strategic partnerships with other funders to help deliver a shared vision and drive some long term positive outcomes for public benefit and the development of the museums sector as a whole. In its largest scale funding, its Major Partner Museum Programme, the Arts Council aims to build a network of leading museums able to consolidate the success of the programme to date while working to achieve transformational change for the future.
- 8.1.4 In selecting participants from across England, ACE is seeking to identify institutions and governing bodies that share its ambitions and understanding of culture's role in the lives of communities, individual and local/regional economies. With a limited MPM membership this represents a very significant strategic opportunity for Exeter and the peninsula within a national context. Operationally the investment offers increased capacity and potential for development and so supports the City Council's corporate ambitions for a successful and prosperous future for the city.

8.2 Funding to museums

8.2.1 The Arts Council England offers a tiered arrangement of museum funding with the differing levels appropriate to institutions of varying scale, capacity and track record. The MPM Programme is the upper tier, awarding significant funding over a three year period against an agreed and monitored programme of activity. RAMM's participation in the current MPM programme brings with it funding of £635,191 12/13, £539,838 13/14, and £538,500 14/15.

8.2.2 ACE funding is revenue funding for operational activity. ACE regard it as 'partnership funding'. Its purpose is to deliver 'additionality' and it cannot be used as replacement or backfilling funding. Partners are required to provide an 'open book' approach to their accounts.

8.3 Partnership with Plymouth

8.3.1 RAMM acquired its MPM status in 2012, the first round of programme funding 2012-15. It is an MPM in conjunction with Plymouth City Museum & Art Gallery (Plymouth City Council), a partnership which has been forged over many years close working. Together the two museums are known as the MPM Peninsula Consortium. The museums share much in common but also reflect the distinctive histories and current context of their varying home cities; differences which are complementary and put together deliver a regional presence and powerful geographic and demographic reach in the South West. Across the country there are sixteen MPMs mainly concentrated in the 'core cities' (large urban areas) but a few like Exeter/Plymouth formed as a consortium. In the South West there are currently two MPMs, Exeter/Plymouth and Bristol. Looking forward Plymouth is about to embark on its own capital project to create a Plymouth History Centre which will unite museums, archive and film holdings in a new £23.5m building. A Heritage Lottery Fund application received approval at the end of May signalling the start of this project.

8.4 MPM Programme 2015-18

8.4.1 The second round of MPM Programme funding 2015-18 requires museums to re-apply in an open application process regardless of current status. Previous success is no guarantee of renewed funding. Competition is intense: at least five bids have been submitted from the South West. Building on the strength and track record of the consortium relationship the Plymouth/RAMM partnership has again submitted a bid. Applicant guidance was issued on 7 January 2014 leading to an intensive ten week period of work before the submission deadline of 17 March 2014. Applications are now in assessment and outcomes of 'intention to fund' will be announced on 1 July 2014. Between July 2014 and March 2015 the ACE will finalise funding agreements between itself and successful applicants. This process includes producing a business plan for 2015-18. The new funding stream comes on stream in April 2015.

8.5 The Assessment Process

8.5.1 ACE assessment of applications is a two stage process. In the first stage the ACE will

- Assess the quality of the application's contribution to ACE goals (these are described in section F of this report)
- Make a risk assessment of applicant's capacity for management, leadership, governance and financial resilience.

8.5.2 In the second stage the ACE will make an assessment of how a museum or consortium fits into a nationally balanced Major Partner Museum portfolio and the priorities of the programme. This includes:

- Leadership. ACE expects Major Partner Museums to show leadership beyond the individual museum. They are required to demonstrate and support best practice as well as promoting excellence across the sector. Leadership may be within a geographical area or in an area of expertise with national relevance.
- Resilience. Organisations need to show their ability to anticipate and adapt to economic, environmental and social change.
- Geographical Spread. In selecting its portfolio the ACE will consider the reach of its funding across the UK.
- Risk. ACE will consider the level of financial risk to its investment across the portfolio of museums.

8.5.3 Other assessment considerations include local authority partnership, which is important to ACE decisions. Councils demonstrating their commitment to culture will be able to present a stronger case for MPM investment. Identification of culture as an Exeter City Council priority linked to economic development (i.e. quality of life factors, attracting inward investment and driving the visitor economy) is a strength. Exeter's approach is one shared by Plymouth City Council, lending coherence and consistency to our consortium application.

8.6 ACE Strategic Goals

8.6.1 The Major Partner Museum process is shaped around ACE's five strategic goals which form the basis of its 10 year Strategic Framework. These are:

- Excellence is thriving and celebrated in the arts, museums and libraries
- Everyone has the opportunity to experience and be inspired by the arts, museums and libraries
- The arts, museums and libraries are resilient and environmentally sustainable
- The leadership and workforce in arts, museum and libraries are diverse and appropriately skilled
- Every child and young person has the opportunity to experience the richness of arts, museums and libraries

8.6.2 ACE guidance explains the interrelationship of the goals by highlighting goals 3 & 4 as 'goals that help achieve our mission' – 3 (Resilience) and 4 (Leadership and Diversity). These provide the basis for the ACE's mission which is 1 Excellence, 2 Audience Reach and 5 Children and Young people's access to cultural engagement.

8.7 Consortium Application for Funding 15/16 – 17/18

8.7.1 The Consortium's bid reflects the guidance outlined above in 8.6.2.

8.7.2 In **Goal 1** the application focuses on the content which provides the foundation for the development of programmes, audience development and partnerships. 'Content' is derived from the collections which in the case of both consortium partners are rich and of high quality. Both museums are home to Designated collections. The character of the collections help shape partnerships, whether this is locally through related community activities, university research projects or nationally, via collaborations with for instance, the British Museum or internationally through research, exhibitions or placements.

- 8.7.3 In Exeter ACE investment in excellence will allow us to supplement the staff team and create internal capacity for RAMM to respond to opportunities identified through the Collections Review and initiatives such as the Rugby World Cup Host City and First World War Centenary. It will support RAMM's flourishing partnership with the University of Exeter and enable it to extend conservation and care of the collections.
- 8.7.4 In **Goal 2** the application recognised that Plymouth and Exeter are complementary cultural and economic nodes for the region, together including many types of destination offer, from traditional heritage to contemporary arts. Plymouth and Exeter are geographical and cultural foci, driving the visitor economy and region's skills base, giving the Consortium a broad and diverse audience reach. Both cities have recognised the importance of their cultural assets to current and potential residents, tourists and the economy and this is reflected by their own investment.
- 8.7.5 Both museums already attract a breadth of visitors but will continue to undertake initiatives designed to both reflect the diversity of their communities and draw in underrepresented groups, by working in partnership with health, well being and youth sectors. Volunteer development is part of Goal 2. Collaborating as part of city festivals is a way of widening distribution of services as well as forging cultural linkages. Both museums wish to strengthen the connections between heritage collections and their practice of contemporary artists (also forms part of ACE's cultural portfolio). They will work with partners in the two cities to do this.
- 8.7.6 In Exeter ACE investment will support the exhibitions and events programme; strengthen the internal team in important areas of exhibition development, design and technical capacity, marketing, front of house. It will also support work with practising artists, hard to reach groups and the digital development of RAMM's services.
- 8.7.7 **Goal 3** is about resilience. The consortium is built on strong foundations: the two museums have worked together for over 13 years and have robust systems in place to support this bid. The application recognises the realities of the financial situation facing local government. Both councils see museum as cultural catalysts for economic development, supporting place making and identity, stimulating the creative economy, driving tourism and attracting inward investment from other cities. The 2015-18 MPM plans are closely aligned to the two local authorities strategic plans and those of the LEP.
- 8.7.8 Networks and partnerships are central to consortium's work creating a reach across the peninsula which reflects their cities influence as economic drivers for this part of the region. They both have productive relationships with national partners and their City Universities. Both museum plan to review their business models with the intention of developing them to increase the range of income streams available to support their work. This will be an emphasis of Goal 3 2015-18.
- 8.7.9 In Exeter RAMM will in 2014/15 be using the Business Survival Toolkit; Creative Choices (developed by Creative & Cultural Skills; Cultural Leadership Programme, Design Council, Crafts Council and Heritage Lottery Fund) as a framework for reviewing its position, developing and discussing options for future direction. This will be an intensive process supported by engagement of Senior Elected Members who will be actively involved in analysing issues, making decisions and ensuring strategic 'fit'. It will inform the work of following years.

- 8.7.10 **Goal 4** focuses on leadership and diversity. The Consortium's collaborative approach with partners means that it operates as part of network at many levels from the international to local. Regionally the consortium works with the wider museums sector to share the best practice, knowledge and skills that are expected of MPM's. Somerset Museum is a key partner for RAMM, extending the reach of the Consortium eastwards. Locally, collaboration includes acting as a 'key player' in each city's cultural partnership.
- 8.7.11 Workforce development is a priority for both cities cultural groupings, as a way of developing and retaining the talent essential to growing emergent creative sectors. A series of Gateway Seminars open to new graduates, emerging artists and creative practitioners to learn about working in the cultural setting of their own city are planned.
- 8.7.12 This Goal also supports the development of skills and knowledge around the priorities identified in MPM planning i.e. tourism, marketing, data collection, customer relationship management and income generation. It also includes maintaining specialist in house knowledge through participation in museum sector networks.
- 8.7.13 In Exeter in addition to the Gateway Seminars described, RAMM will host a Graduate Business Placement from the University. In their first year they will focus on creating and testing a 'case study' template that can be rolled out for use in Exeter's wider cultural sector. RAMM will also continue to strengthen its work and innovation around working with artists. It will host a national Arts Council Curators Day on 9 October 2014. It will continue its work with volunteers 'refreshing' its volunteer toolkit for wider cultural sector use and sharing its experience of Investors in Volunteers Accreditation to assist partners. RAMM is already supporting the development of the Host City Rugby World Cup Volunteer Programme.
- 8.7.14 **Goal 5** is about supporting child and young people's engagement with the richness of arts, museums and libraries. The consortium's collections and programmes provide a catalyst for inspiration and encouragement for this key group. Whilst Plymouth as a LEA has strong links with formal learning thorough schools, Exeter's work is principally about holiday/weekend activities and not curriculum centred. Interestingly, RAMM's audience research consistently shows the top three ways visitors describe RAMM as 'educational', 'family friendly' and 'high quality'. RAMM and Plymouth both support the ACE Arts Award and Artsmark schemes which enable young people to engage with artists and creative practitioners.
- 8.7.15 In Exeter partnerships will continue to be critical to maintaining the museum's reach to children and young people in 15-18. This will include partners such as the Exeter East and Mid Devon Youth Offending Team, the local Youth Inclusion and Support Panel to reach hard to reach groups. We will also continue our collaboration with city festivals such as Extreme Imagination (children's literature), Exeter Poetry Festival and Animated Exeter to help broaden and strengthen the city's family offer.

8.8 Conclusion

- 8.8.1 RAMM has benefited enormously through its MPM status 12-15. Between April 2012 and March 2015
- Through the consortium partnership with Plymouth, it delivers strategic impact in the peninsula, strengthening the relationship between the two local authorities
 - Through delivery of enhanced services and activity it enables RAMM to maximise the benefits of its capital development and investment by Exeter City Council and Heritage Lottery Fund

- These enhanced services and activities are a significant contribution to the city's cultural and destination offer, which is a driver for economic development. Partnership with ACE through this programme sits squarely within the City Council's strategic plans and aspirations
- Its membership of the small group of MPMs brings with it a national profile and opportunities which benefit the city and the region
- It delivered financial leverage to the Council's revenue investment in RAMM at a scale of per annum, £2.22m ECC funding: £538k ACE funding (average figures)

8.8.2 Continued MPM investment will enable RAMM (within the Consortium) to develop and grow as a cultural flagship.

8.8.3 An unsuccessful bid will require a review of RAMM's capacity and reworking of its medium term ambitions. Other ACE funding streams will be open for application although these are smaller scale and project based. In the event of an unsuccessful application it will be important to consider positioning the Consortium for the bidding process 2018 onwards.

8.8.4 The results of this round 15-18 are expected 1 July.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 The MPM application contribution to the 'building of a stronger sustainable city' through leverage of additional funding based on the City Council's revenue expenditure on the Museum. ECC spend of approx £2.22m drawing in ACE funding of approximately £538k. A leverage ratio of 4:1, local authority funding to external finance.
- 9.2 Specifically the funding will support commitments under 'Provide great things for me to see, do and visit' namely 'Offer an inspiring programme of events, activities and exhibitions at the Museum, enriching the cultural lives of all who live, visit and work in the city'.
- 9.3 MPM investment supports the Museum's contribution to the city's offer as a retail and visitor destination with an economic impact of £7.4m (or £2.3m when it is the principal reason for a city visit). This positively impacts on the local economy contributing to 'Help me run a successful business in Exeter'.
- 9.4 As an existing MPM, the museum is well placed to contribute to the special 'quality of life' that the city is able to offer in its promotions designed to attract inward investment, new business and skilled workers.
- 9.5 The museum's targeted work with specific audience groups and partnership with city groups means it is also able to foster a sense of community identity and cohesion. Inclusion is implicit in 'Enable me to have my say and be heard'.

10. What risks are there and how can they be reduced?

- 10.1 A national programme with a fixed overall budget, combined with intense competition for available resources, makes an unsuccessful bid high risk. However the Consortium's past experience of partnership working provided a strong foundation to its preparation and planning of the bid. Careful and considered work was undertaken to demonstrate past track record and to inform proposals shaped to deliver both ACE Strategic Goals and the priorities of the two local authorities. In constructing the application we have sought to minimise risk, however some factors lie beyond our influence i.e. competition from other towns and cities; the ACE process of 'national balancing' of its portfolio.

- 10.2 The ACE view of the MPM Programme as partnership funding with local authorities means that aligning the two sets of organisational priorities within the planning process has been very important. Failure to do so would have created a flaw within the application and inherent risk. Careful referencing to ECC's Corporate Plan and key actions, together with discussions with Senior Elected Members has ensured a good fit between local priorities and those of the external funder.
- 10.3 The bidding process entails provision of a level of detail which requires thorough planning and costing for the three year period. This exercise reduces the likelihood of unanticipated risks as the proposals identify all key activities within the three year period. These are given more detail in the Programme of Activities agreed with the ACE ahead of each financial year.
- 10.4 Quarterly monitoring undertaken by the Consortium and separately in conjunction with the ACE, ensures that developing risks to the programme are identified and addressed at an early stage. An Annual Survey also provides an opportunity to highlight developing risks to the programme or partnership.
- 10.5 An unsuccessful bid carries major risks for the City Council, requiring a remodelling of its museum services, curtailment of its partnership activities and reworking of its medium term ambitions. Although the Museum would be able to apply to other ACE programmes these project funds would not be at the same level or permit similar levels of profile and aspiration. This would damage the city's cultural leadership role within the region, the effects of which would be magnified because of the partnership alliance with Plymouth. A consequence would be to diminish the influence of the peninsula in the South West.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

- 11.1 Within the community RAMM and its varied programme occupies an almost unique position, providing a civic space where people of every socio-economic background and education can come together to share the same experience of exhibitions and activities. This gives the museum an important role in helping to forge a sense of community identity and cohesion. People visit RAMM as 'Home to a Million Thoughts' for many reasons but often as an educational or social activity which enhances an individual sense of well being or connection. In feedback from audience research visitors top three words for describing RAMM are 'family friendly, educational and high quality'. This appreciation makes RAMM an important contributor to the city's retail and visitor destination offer, with an economic impact assessment showing the museum as supporting the local economy between £7.4m and £2.3m (see section 5).
- 11.2 Increasing both the number and range of people experiencing and engaging Arts Council funded activities is central to their Strategic Goal 2. There is a close fit with ECC's concern around equality and diversity; health and well being and through current 2012-15 MPM funding RAMM has been able to undertake a number of projects in association with community groups that deliver against these objectives. These were showcased in the 'Collaboration in Practice' seminar held in November 2013 and we would look to continue similar work in 15-18, subject to funding.
- 11.3 Work with children and young people forms part of the Arts Council's Strategic Goal 5 and with the funding RAMM would intend to continue its informal learning activities, families programme and work with hard to reach groups.

12. Are there any other options?

12.1 The application has been submitted and outcome is now expected on 1 July 2014.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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