

REPORT TO EXECUTIVE

Date of Meeting: 1 October 2024

REPORT TO COUNCIL

Date of Meeting: 15 October 2024

Report of: Strategic Director for Place

Title: RAMM business plan for Arts Council England National Portfolio Organisation extension year 2026-27

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 Arts Council England (ACE) has extended its funding period for National Portfolio Organisations (NPOs) by one year. The current funding period ends on 31 March 2026. ACE is allowing existing NPOs to apply for an extension year which would take the funding period up to 31 March 2027.

1.2 The Royal Albert Memorial Museum & Art Gallery (RAMM) is an Exeter City Council service and currently an NPO. The draft business plan for the extension year, is being submitted for endorsement by the Council.

1.3 Investment provided to the City Council by ACE through its NPO programme 2023-26 amounts to £618,363 per annum and if the application is successful, the City Council would receive an additional £618,363 for the extension year 2026-27.

2. Recommendations:

2.1 That Executive recommend to Council to:-

1. endorse the Royal Albert Memorial Museum & Art Gallery (RAMM) Business Plan;
2. To grant delegated authority to the Strategic Director for Place, in consultation with the Portfolio Holder for Arts, Culture & Tourism, to apply to Arts Council England for the additional year's funding (2026-27); and
3. authorise the Council to enter into the 2026-27 funding agreement with Arts Council England, should the application for funding be successful.

3. Reasons for the recommendation:

3.1 Investment from Arts Council England in 2026-27 will enable the City Council to deliver an additional year of activities at RAMM including: temporary exhibitions, events, community engagement, skills development, and contemporary art.

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

4.1 The City Council invests £2.4m in RAMM each year to fund its services.

4.2 While there is no direct cost to the City Council of RAMM's NPO status, the ACE funding is based on the museum being able to provide an overall financial plan showing it is financially viable.

4.3 The financial section of the draft business plan shows the projected breakdown of the 2026-27 NPO investment.

4.4 An indicative financial template will also be submitted as part of the application process.

4.5 The draft business plan relates not just to the ACE investment in RAMM but also to that of the City Council, representing a 'joined up' view for forward planning for this service. As such the resource implications relate to RAMM as an ECC service and also to the other ECC departments which interface with the museum as part of normal local authority operation. After many years of ACE funding, this extension year is not anticipated to bring any further additional resource requirement.

5. Section 151 Officer comments:

5.1 Applying for the extension places no financial commitment on the Council save for ensuring that the Arts Council funding is used for the purposes set out in the agreement and not used to offset reductions in spending elsewhere within the RAMM's budget. The funding will therefore allow the Council to continue the activity covered by the agreement.

6. What are the legal aspects?

6.1 The Arts Council England award for the extension year 2026-27 is not subject to any reciprocal obligations on the part of Exeter City Council in relation to the Agreed Activities. The Agreed Activities are set out in the outline business plan and these activities are fully funded by the ACE grant.

6.2 The ACE grant will be subject to the standard terms and conditions for National Portfolio Organisations (set out at Appendix 2). The ACE standard terms and conditions set out a number of obligations including, for example, the requirement to apply the grant for the sole purpose of delivering the Agreed Activities as set out in the attached outline business plan and to pay back the grant if there are any breaches of the terms and conditions of the Funding Agreement.

ACE are also able to withhold and/or demand repayment of all or part of the grant where the Council, for example:

- Closes down the museum.
- '...makes any significant change to the Agreed Activity without the prior written approval of the Arts Council',
- '...does not fulfil the purpose of the grant with reasonable care, thoroughness, competence
- 'acts in such a way that the Arts Council believes it has significantly affected the delivery of the Agreed Activity...'

7. Monitoring Officer's comments:

7.1 This report requests approval by Members of the draft business plan and delegation of authority to apply to ACE for grant funding for the additional financial year 1 April 2026 to 31 March 2027. This is a grant which is subject to the standard terms and conditions of ACE set out above. There are no additional funding requirements imposed upon the Council save for the obligation that the museum continue as a going concern.

8. Report details:

8.1 Arts Council England (ACE) is the national development agency for the arts and cultural sector, including museums. Its 10-year strategic vision, called 'Let's Create' aims to help shape a country in which the creativity of each person is valued and given a chance to flourish and where everyone has access to a remarkable range of high-quality cultural experiences.

8.2 The City Council has received ACE National Portfolio Organisation investment in RAMM (£618,363 each year) since 2018-19. This supports a wide range of activity across exhibitions, events, collections, contemporary art, community engagement, skills development, and fundraising activities. In return for this investment, ACE expects that the City Council should deliver strongly against the strategic goals of its 10-year strategy.

RAMM was awarded NPO status on the basis of a submitted business plan and completed financial template. Together these form ACE's Agreed Activity and Funding Agreement (see T&Cs) which cover the period 2023-26 and include projections of income from ACE, City Council and earned income, plus plans for expenditure on staff, direct activity, and overheads. The nature of ACE funding means it can only be used for certain types of activity. Currently, ACE funding covers staff and costs contributing to RAMM's audience engagement, contemporary art, public programme, design, digital, exhibitions, events, marketing, and skills development.

8.3 Changes to partners' funding contributions towards the Agreed Activity is a matter of discussion as set out in the standard T&C's. At all times, museums need to maintain Accreditation to be eligible for ACE funding (and this is true of all the significant funding bodies) which requires adherence to a set of standards on governance, collections development, collections care, accessibility, audience development and engagement.

8.4 The museum is currently into its second year of activity within the 2023-26 plan and performing very well against agreed outcomes, targets and KPIs. These are monitored quarterly by RAMM's Oversight Panel and funding is dependent on achieving these targets.

8.5 ACE has decided to extend its NPO funding for an additional year (2026-27) due to the challenges that cultural organisations face in the current operating climate. In order to receive this extension year funding, the City Council must submit an application, confirming that RAMM activity will remain broadly in line with its 2023-26 activity plan, together with an indicative budget. Currently ACE website indicates the portal will open in late September 2024 and will remain open for eight weeks.

8.6 The City Council has produced a draft 2026-27 Business Plan, based on the 2023-26 version, which can be found in Appendix 2. The plan is structured according to the ACE requirements, showing how RAMM's activity contributes to its 'outcomes' and 'investment principles'. The document also shows how the plan contributes to Exeter City Council's corporate priorities.

The ACE outcomes which RAMM's plans contribute to are:

- **Creative People:** everyone can develop and express creativity throughout their life
- **Cultural Communities:** villages, towns and cities thrive through a collaborative approach to culture

The ACE investment principles underpin the plan and set out how cultural organisations such as RAMM, will need to develop so they can better deliver the outcomes:

- **Ambition & Quality:** cultural organisations are ambitious and committed to improving the quality of their work
- **Inclusivity & Relevance:** England's diversity is fully reflected in the organisations and individuals that we support and in the culture they produce.
- **Environmental Responsibility:** cultural organisations lead the way in their approach to environmental responsibility
- **Dynamism:** cultural organisations are dynamic and able to respond to the challenges of the next decade.

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

9.1 The business plan shows how RAMM activity contributes to all council priorities:

Thriving heritage and culture	Exeter's flagship cultural service. Ambitious cultural programme of exhibitions, events, and contemporary art commissions. Partnerships supporting the cultural ecosystem of the city.
Prosperous local economy	Number one visitor attraction in the city, providing excellent and accessible experience for all visitors, driving footfall to the city centre.
Building great neighbourhoods	Working in partnership with our communities to develop projects that explore shared heritage and tackle issues faced by residents. Connecting people to their local history and to one another.
Healthy and active city	Activities that nurture the wellbeing and creativity of local people, whatever their age or background.
Net zero carbon city	Working in an environmentally responsible way and championing this approach in our public programme.

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

10.1 If there are any changes to the City Council's investment in RAMM and/or failure to achieve its agreed activity plan, there is a risk that ACE will remove or reduce its investment in the museum and that Exeter City Council would be required to pay back

some or all of the grant. The relevant sections within the NPO Terms & Conditions are mentioned above. This risk is mitigated by maintenance of proactive communications with the ACE relationship manager.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct.
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal potential impact on people with protected characteristics as determined by the Act is identified in an Equalities Impact Assessment, included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 RAMM has a robust environmental responsibility plan and reports on its progress quarterly via an Oversight Panel and through the NPO environmental reporting platform. The 2026-27 extension year responsibility plan primarily aligns with the ambitions of the City Council. The plan focuses on training, effective low level energy efficiencies in operations, and mechanical and electrical systems. There are no current direct implications in terms of further capital or operational expenditure.

13. Are there any other options?

13.1 Reject the outline business plan for 2026-27. However, ACE requires the funded organisation to confirm that their planned activity is broadly in line with its 2023-26 activity, so the City Council would have to explain and justify any change in direction.

13.2 Refuse the request to apply for extension year funding.

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

Background papers used in compiling this report:

Appendices

Appendix 1: Draft 2026-27 NPO plan

Appendix 2: Arts Council England Standard Terms & Conditions for National Portfolio Organisations

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