

DECISION-MAKER:	CHIPPERFIELD ADVISORY COMMITTEE		
SUBJECT:	UPDATE REPORT TO CHIPPERFIELD ADVISORY COMMITTEE		
DATE OF REPORT:	24 NOVEMBER 2015		
REPORT OF:	ARTS AND HERITAGE MANAGER		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY			
N/A			

BRIEF SUMMARY

This report updates Chipperfield Advisory Members on activities relating to Southampton City Art Gallery since the Annual Report submitted to Trustees in May of this year.

RECOMMENDATIONS:

- (i) To note and approve the update report.
- (ii) To approve the acceptance of the works offered as a gift to the collection.

REASONS FOR REPORT RECOMMENDATIONS

1. To provide Board Members with a summary of planned activity and a resume of activity over the last 6 months.
2. Works offered for acquisition enhances the strength of British 20th Century Art Collection.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Not to provide an update report.
4. Not to accept the art work offered, rejected as the acquisition complies with Collection Policy, enhances the collection and is offered as a gift so there are no direct cost implications.

DETAIL - Activity in 2014/5

5. Alternative Governance Proposals – Arts and Heritage Service

In May 2014, Officers were instructed to undertake an Options Appraisal to assess if there was a viable alternative governance model to deliver the arts and heritage service, including the art gallery. The rationale for considering delivering the arts and heritage service in a different way was to establish if an alternative governance method has the potential to fundamentally transform the resilience of the service in an increasingly challenging economic climate.

6. In February of this year, a briefing paper was presented to CMT, and the then Cabinet Member to report the outcome of the Options Appraisal. The highest scoring option of the appraisal was integration with Hampshire Cultural Trust (HCT).
7. The paper recommended that discussions were entered into with HCT, and that subsequently a business case could be developed to move the arts and heritage service to move to the Trust. This would include seeking professional advice on all VAT and legal implications, with a view to establishing the most appropriate funding arrangement for an alternative governance model prior to proceeding to development of a business case.
8. Following initial discussions with HCT, in August this year, officers updated Council Management Team (CMT) on progress of negotiations, in particular reference to the potential financial implications of integration with HCT.
9. There is a significant pressure within arts and heritage that is predominantly made up of shortfall on income generation, this does impact on the negotiations regarding financial settlement prior to integration.
10. The 'Financial Scenario' presented to CMT assumed the following:
 - Grant funding based on service budgets for 15/16, no inflation factor is included.
 - Allocation of cost per head of TUPE staff for support services.
 - Assumed share of income risk for years 2 and 3, based on 15/16 outturn.
 - A reduction on service budgets in year 5 of the agreement.
 - Repairs and Maintenance budgets are retained at current levels, (not including inflation).
11. Based on what could be considered a 'worst case scenario', the report to CMT showed a shortfall on existing budgets, including income pressure (based on 15/16 outturn) during the first five years of an agreement with HCT.
12. It is acknowledged that HCT are a very new organisation, it was established at the beginning of November 2014. As such, their willingness to expose the organisation to funding risks is likely to be limited.
13. Given the current financial pressures faced by the Council, when presented with the indicative financial implications of integration with HCT, CMT could not support development of a full business case with a view to moving SCC arts and heritage service to HCT based on the scenario presented.
14. Officers were requested to continue discussions with HCT, based on the 'worst case scenario' financial model, to ascertain if there was further room for negotiation wherein financial benefits could be realised for SCC in the shorter term, which would include a greater share of the income risk, and a reduction on base budgets sooner than Year 5.
15. As part of these discussions Leaders and Senior Officers of SCC, HCC, have met with Chair and Chief Executive of HCT to try to identify a solution to this challenge. Dialogue continues between all parties.

16. **Arts Complex – Cultural Quarter**

We are pleased to confirm that the council took possession of the arts complex shell in October in order to begin the fit out of the building. The South Building (housing the John Hansard Gallery) will achieve practical completion at the beginning of September 2016, to be open in time to host The British Art Show. The north building will open in Spring 2017.

17. The first touring exhibition at the John Hansard Gallery will be the British Art Show in partnership with Southampton City Art Gallery opening on 8 October 2016.

18. This partnership project will be the first of what is hoped will be the beginning of a collaborative approach between tenants in the art complex, and others, and Southampton City Art Gallery in developing the product offer of the Cultural Quarter.

19. **Art at The Heart – Cultural Quarter**

Art at The Heart (AATH) is a forum consisting of representatives from cultural activity providers across the city. This includes City Eye, Nuffield Theatre, Turner Simms, John Hansard Gallery, ArtAsia and Southampton City Council Arts and Heritage Service. The Art at The Heart Vision Document is listed in Appendix 1.

20. The group meet approximately every 3 months to discuss forthcoming (short and long term) events and activities to identify ways in which organisations can work collaboratively to enhance the cultural offer, and develop audiences across the city.

21. In relation to the art gallery, The British Art Show is included on the Agenda to ensure opportunities are identified to achieve maximum benefit for the city from hosting the prestigious exhibition.

22. **Heritage Lottery Fund bid – Southampton City Art Gallery**

In August of this year, a bid was submitted to the Heritage Lottery Fund for £2,424,300 to support a development project to improve the infrastructure, and product offer of the art gallery. The total project budget is to £3,083,657. The project fund gap was to be filled by £409,357 from SCC, and a bid submission to Arts Council England Museum Resilience Fund for the remaining £250k. When this report was submitted we were still waiting for a decision from the HLF. A verbal update will be given at the meeting on 24 November.

23. **Culture Southampton**

Southampton Cultural Development Trust is a key driver in the city's plans for regeneration through transformational cultural initiatives. The objective is that the cultural initiatives will bring inspiration, opportunity and enjoyment for Southampton's residents and visitors, and will establish the city as a major cultural destination.

In October, the Trust announced they had recruited the first Director of Culture Southampton. James Gough will be joining the Trust on Monday 16th November with a remit to develop and facilitate Southampton's long-term cultural strategy.

24. Southampton Arts and Heritage Service will be looking to engage with James at the earliest opportunity to help inform the development of a cultural strategy for the city.
25. **Southampton City Art Gallery Customer Research Project**
A bid was made to the Museum Resilience Fund in November 2014 for a total request of £250,000 to help fund a project titled: 21st Century Renaissance - Southampton City Art Gallery. The project vision is 'To establish Southampton City Art Gallery as the finest in the south of England connecting residents to the cultural resource on their doorstep, and establishing a key destination for culture tourists. To create a project of 21st Century relevance, sustainable, flexible and adaptable to future economic, environmental and social change'.
26. Although the bid did not secure the total level of funding required, 21K was awarded in March 2015 to undertake the first stage of the project which was to be carried out in year one, which was a major research study into users and non-users of Southampton City Art Gallery.
27. The project, and consequent report was completed by ICM Unlimited, (who carried out the research), in August this year. Chipperfield Advisory Committee have had the opportunity to view this report.
28. ICM have made a number of recommendations as a result of this research, all of which have been taken into consideration within the application for funding for art gallery development project to HLF National fund. The intention is to submit a bid again to ACE Museum Resilience fund also for the art gallery development project, (as referenced earlier), building on the strengths of the original bid, taking into account the feedback from Mary Godwin, and utilising the findings and recommendations from this research project.

Acquisition Approval

29. Southampton City Art Gallery have been offered a Gift through the Art Fund to acquire an abstract painting by the artist Roy Turner Durrant.
30. Please see Appendix 2 for the Acquisition Form which details the works in relation to the collection as the rationale for accepting the gift. Appendix 3, the first page of the PDF is an image of the works.

RESOURCE IMPLICATIONS

Capital/Revenue

31. None.

Property/Other

32. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

33. The Chipperfield Advisory Committee is an advisory committee to Council pursuant to section 102(4) of the Local Government Act 1972, with terms of reference which include the provision of reports to Council (as Trustees) as

necessary and at least annually in relation to the use of the Trust's collection, patronage, use of works loaned to other organisations, details of purchases made, and work of the academy.

Other Legal Implications:

34. Items owned by the Chipperfield Trust must be kept and maintained in accordance with the terms of the Trust's Scheme. Any other items held by the art gallery must be held in accordance with any conditions or agreements that may apply to those individual items. A failure to do so may result in legal or regulatory action being initiated by interested parties. The Governing Document was a Will proved on 26th July 1916, and was amended by scheme changes sealed 12th September 2012. The Charity is a Trust, with Southampton City Council as the sole corporate trustee.

POLICY FRAMEWORK IMPLICATIONS

35. The proposals are in line with the Policy framework.

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	The Art at The Heart Vision Document	
2.	Acquisition Form	
3.	Artwork Images	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.		
2.		