<u>Review of Heritage Services in Walsall</u>
<u>September 2013</u>

Please note Walsall Council Asset Strategy Group agreed in March 2016 to formally withdraw from the HLF scheme to redevelop the Wisemore site as a heritage scheme. Since then there have been a number of proposals considered through the budget process around the future of the Leather Museum, including the relocation of the museum. Following a stage of public consultation (27 October to 31 December 2016), on the 8 February 2017 Cabinet decided to withdraw this proposal and to leave the museum where it is.

At the 8 February 2017 meeting Cabinet also agreed to relocate the Local History Centre & Archive from its Essex Street site and remodel it within the Lichfield Street Central Library building.

Review of Heritage Services in Walsall

Final Report

Draft v1.9

20th September 2013

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20th September 2013	V1.9	IW amends post feedback

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1   Introduction

Black Radley Culture (BRC) has worked with Walsall Council to explore the options for its heritage services. An interim report was delivered to the Council on 23rd August and discussed at a meeting on 30th August. This document sets out the final report from BRC, summarising our findings and recommending a way forward.

2   The Requirement: Sustainable Options for the Future

Heritage Services in Walsall comprise three facilities: Walsall Leather Museum, Walsall Museum and the Local History Centre and Archives. In line with many other Local Authority heritage functions these services are facing challenges from reducing budgets and resources. In Walsall the picture is further complicated by dilapidated buildings, equipment and facilities and a lack of appropriate storage.

The service faces significant reductions in their operational budgets over the next 3 years and must find options to meet these and provide a sustainable future for the service. There is also the need to raise the awareness of councillors, stakeholders and the community at large of the value and importance of heritage services, not only to give residents an insight into how Walsall and its people lived and developed, but also as a key to regeneration, learning and pride of place.

The Review of Heritage Services was to suggest options to meet the challenges below:

- deliver savings/efficiencies of 30% to 40% across the Services over the next 5 years;
- address any issues you may identify with the current Service including: the attractiveness of the offer, on-going viability, accommodation, etc.
- secure external funding support to help reduce the net running costs of the service;
- optimise the use of Council accommodation.

In addition the Review was to take account of:

- The economic benefits they can bring to the community at large and the role they may play in regenerating individual communities;
- How they can help deliver stronger communities and pride of place;
- The views of staff, customers, stakeholders and potential customers;
- The voluntary sector and how services can benefit from and encourage volunteering;
- Their contribution to community cohesion; celebrating and understanding diversity;
- Their contribution to education, skills and lifelong learning;
- Their contribution to physical and psychological health and wellbeing;
- Their potential to enhance the opportunities for children and young people
- Opportunities to work in partnership with other organisations, local authorities, Walsall Council services and the voluntary and private sector.

The Review will form a key part of the strategy to deliver required savings and efficiencies, whilst securing the future viability of services and developing proposals for their future sustainability.

3   The Context for Heritage Services in Walsall

3.1   The Heritage Sector

The recession, the change of government, and tough public sector settlements have all speeded up a process of change which was already taking hold in the cultural sector. A market driven by greater user expectation, more choice, and greater demand for accessibility was driving a focus on improvement and customer engagement. However Local Authorities are in the process making cuts of around 30% or more; many are looking at redefining the way that local government services are delivered. Universal services such as museums, and the broader cultural sector, are experiencing significant budget reductions.

The traditional methods of delivering cultural organisations, and museums in particular, are being challenged. Governing bodies, especially Local Authorities, now need to explore new or alternative models of delivery. The challenging context makes this by no means straightforward, representing significant change for service, authority, and user.

Ideally, changes in delivery and governance are not purely driven by the need to make savings. A focus on long term sustainability is particularly important and, for this to be possible in a challenging and competitive market, museums need to be flexible and responsive to their audiences.

Fundamental changes have taken place in society. People have become more discerning. The population is getting more diverse and often older. The increasing use and sophistication of technology has altered the attitude and approach of the majority of the population. Not only are public services expected to use technology as part of their provision, they are also are expected to be more accessible and democratic, they need to be personalised, and to be in a position to respond immediately to changes in their particular environment.

The museums that will thrive in this environment are those that are able to re-vision and re-think their service delivery models, traditional working structures and partnerships. They will need to do this in response, and preferably in anticipation, of the on-going changes in society. There is significant evidence that devolution from local government of the direct delivery of museums, libraries and arts organisations can accelerate organisational innovation and growth, increasing user benefit and financial sustainability. There are also a number of examples where such outsourcing has come up against serious problems, and in some cases failed.

3.2 Heritage Services in Walsall

As noted in section 2 the Service comprises three facilities, Walsall Museum, Walsall Leather Museum and the Local History Centre and Archives.

The Mission and Vision of the Walsall Museums is:

> Walsall museums exist to culturally enrich the lives of Walsall people, and to foster pride in the town and the achievements of local people, past and present.

> We seek to make the Borough`s heritage accessible through entertaining, inspiring and informative exhibitions, publications and lifelong learning events and activity sessions, engaging as diverse a range of audiences as possible.

> Pride in our past, pride in our future: through a better understanding of the past we believe people will be able to make more informed decisions about the future, and become more fully engaged citizens.

The Walsall Museum is located in the town centre and is housed in Walsall Library. Dedicated to the history of Walsall, the museum is home to a collection of artefacts reflecting Walsall's heritage. In particular the museum houses the nationally important 'Hodson Shop' collection of twentieth century working clothing. The borough's history is explored in the museum's permanent local history gallery, The Changing Face of Walsall. However the exhibition space is small, and the museum is tucked away in the library, more could be made of Walsall's local history. There is also very little opportunity to secure secondary income in the current location.

The Walsall Leather Museum is housed in a restored leather factory, it records the story of why Walsall became the British leather goods capital.

Visitors are able to watch skilled leather workers in the process of hand-crafting leather goods such as wallets and purses and perhaps have-a-go themselves. The displays around the museum tell the stories of the Walsall leather trade. The museum benefits from an excellent location, and attracts good visitor numbers, though more could be made of the location and secondary income could be further exploited.

The Local History Centre provides the Archives and Local Studies Service for Walsall Council. The service exists to collect records from the Council. This ensures that the Council takes care of its archives.   In addition it ensures it meets the requirements of the Information Commissioner to retain archives designated for permanent retention. The service makes sure that these records are accessible. The service collects records also which will provide evidence of how Walsall and its communities have developed. The service uses all of these records to support the work of the Council with schools, communities and the public to promote life- long learning and health and well-being.

The Mission and Vision of the Local History Centre is:

> Mission: " To acquire, preserve and make available the documentary and audio-visual evidence of the life of Walsall Metropolitan Borough, its people and its communities and to maximise accessibility so that their educational, research and personal needs for historical information are met, now and in the future."

> Vision: To collect from all groups in the borough, to make this information as available as widely as possible e.g. via the internet and via the provision of a public service, to enhance people's understanding of how their community has developed and what it has achieved, to engender pride in Walsall and its achievements, to find new ways to present history to people in a relevant way.

Walsall Local History Centre is approximately a mile out of the town centre in a suburban area. It is not located on any main traffic routes. Furthermore, the area in which it sits is a deprived area, with high crime rates that affect the centre and its staff directly; these factors combined severely inhibit potential footfall.

Entrance to the research room is free, although prior appointment must be made to use some of the facilities. For regular users a (free) CARN ticket is required.

3.3 Contribution to Walsall Council services

BRC undertook a review of internal documentation produced by the Heritage Service outlining how the Service is aligned with Council objectives as set out in the Walsall Plan, and Corporate Plan.

Improving Health
"Walsall Museums make a huge contribution to the positive mental health of the borough." Activity mentioned focuses around inclusion and provision of opportunities for people across age ranges, abilities, and geographic location. It discusses events and volunteering opportunities as a way to overcome isolation and engendering a sense of regional identity through its heritage offer. Specifies a partnership with the Primary Care Trust to provide rooms for health activities that are "Bright, clean, friendly, welcoming places which people who may feel vulnerable can explore at their own pace."

"The Local History Centre has the highest number of volunteer hours of any local service."

"Many of the activities for the Local History Centre promote and encourage healthy life styles, e.g. a programme of summer local history walks and the research for family and local history promotes an active mind and leads to a sense of purpose and belonging"

This is however contradictory to the notion that the Museum Service's sites are no longer fit for their intended purpose. Nevertheless a number of the stakeholders who were involved in the project emphasised the health challenges facing Walsall, and the direct and indirect impacts services such as Heritage might have.

Learning and life chances
"Education is at the heart of everything museums do."

"The Local History Centre supports both formal and informal learning through education resource packs, online resources, workshops and talks, and working with schools on projects."

The Museum Service has good relationship with educational institutions including the services comprehensive offer for primary schools, with an emphasis on providing hands-on interactive activities which have been awarded the Sandford Award for Heritage Education. There is also a strong relationship with both Walsall College and University of Wolverhampton in providing access to study materials on sites and online.

The Local History Centre contributes to lifelong learning and health and well-being by way of family history on the internet taster sessions, family history courses, bite size courses, public service and volunteering. The Centre also works with libraries providing maps and photographs for all district libraries to encourage people to contribute their photographs and memories of their High Streets.

Supporting Businesses and the economy
"A recent study demonstrated that the economic impact of Black County Local Authority Museums was over £7.7 million in 2010/11. (source: Black Country Museums Partnership leaflet)."

The material references areas in which the Service actively and passively supports and enables business within the area and local economy.

- Supports and promotes the town's 60 or so remaining leather businesses;
- Sell Walsall made leather goods through the museum shop and act as the only "factory shop" in the Borough for leather goods;
- Promote the idea of Walsall as a town with and exceptional leatherworking tradition, based on outstanding quality and skill producing items which are exported around the world;
- Celebrate Walsall`s five Royal warrant holders and the many prestigious clients for locally made leather goods and saddlery celebrate Walsall`s five Royal warrant holders and the many prestigious clients for locally made leather goods and saddler;
- Hold records in trust in perpetuity for the benefit of people and businesses of Walsall, maintain the records to an agreed standard and provide access;
- Grasp every opportunity to combat the negative perception of Walsall (e.g. BBC film crew were at the Leather Museum for four hours on 1st June filming a piece for `Antiques Road Trip` about Walsall`s leather trade) to help to create a more positive image for the town, thereby encouraging inward investment;
- Provide affordable meeting venues in the town centre via meeting rooms for local businesses.

However discussions with stakeholders indicated a lack of understanding about how the Heritage Service might contribute significantly to the local economy.

national
Safe,Sustainable,InclusiveCommunities

Examples of how the Service contributes to the development of the Councils community aims.

- Programmes of holiday activities have been shown to have dramatic impact on levels of petty crime and anti-social behaviour during school holidays by offering children and teenagers engaging and absorbing alternatives;
- Promote toleration and understanding between communities with our displays – e.g. Black Reading Group, 'Guess Who's Coming to Dinner (multiple heritage), Kingsway Project (Afro-Caribbean history), current Blue Coat School display (evacuation and recent migration experiences);
- Our displays are socially inclusive reflecting the contributions made by migrants to the town (e.g. Joseph Leckie, John Crabtree, Meera Syal), and by minorities, for example displays celebrating the achievements of Ellie Simmonds, and annual displays of work by Adult Learners with special needs at the Leather Museum;
- Contribute to pride in Walsall by highlighting current and past achievements of the borough. Exhibitions that have been held by the Local History Centre include: Your Corner on Walsall's working past. Publications by the Centre include: Leaving the village on Aldridge's contribution in both World Wars, Willenhall A Town to be Proud of and I Remember Rushall;
- The Local History Centre is involved in projects bringing communities together to collect and share memories and experiences and is a repository for the memory of communities;
- The Local History Centre collects evidence of the experience and contributions of the changing and more diverse communities of Walsall and has published books and DVDs about the Black and Asian experience of coming to live in Walsall.

This topic was seen as crucial in the borough by stakeholders we talked to, particularly amongst politicians. There seemed to be significant recognition that services such as Heritage could play a role here.

4   Methodology: Balanced Enterprise Planning

4.1   Explanation

An effective methodology for this project must:
- Review and summarise the current state of the service;
- Robustly assess and investigate the financial position of the service;
- Identify the current and potential challenges and develop appropriate options in response
- Test the viability of the options and appetite for change (against stakeholder, partnership and wider contexts),
- Using the above, work with the relevant partners and key stakeholders to agree criteria by which possible options should be judged;
- Model possible options, analyse risks and issues.

We have used an approach based on our **Balanced Enterprise Planning** methodology. The approach pursues the following expert lines of enquiry:
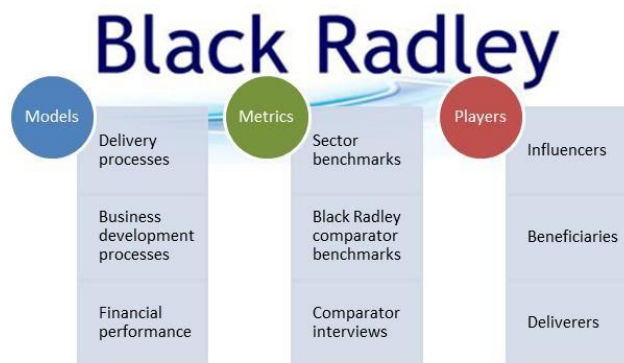

Figure 1: Expert Lines of Enquiry

Modelling
A simple and robust set of tools for modelling Walsall Heritage Service's existing and future (1) core delivery process; and (2) business development processes; and (3) financial performance.

Metrics
Competitor/comparator positioning using: (1) established and Black Radley proprietary benchmarking measures; and (2) structured interviews with comparable organisations.

Players
Prioritised stakeholder interviews, following a well-established semi-structured template, with a potential scope to include lead members, civil society players, potential customers and staff (list agreed at project inception). The development of a political forcefield analysis: asking just what is possible, given the competing pressures at play.

There are multiple possible delivery options and structures potentially applicable to Walsall. The right operational and structural answer is dictated by the nature of what the structure is there to achieve. Organisational vitality requires an alignment between the way we are and what we do. The three vitality dimensions below need to be balanced.

Political   **Operational**

Financial
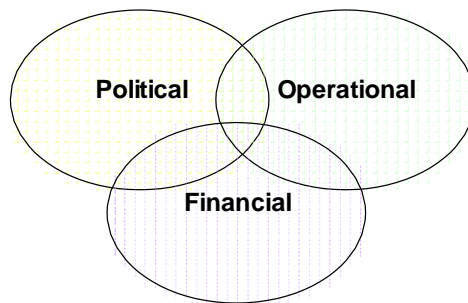
Figure 2: Vitality Dimensions

To decide between service and governance options, the key is to recognise that "**form follows function**". The right structural answer is dictated by the nature of what the structure is there to achieve. Organisational vitality requires an alignment between <u>thewayweare</u> and <u>whatwedo</u>.

Heritage Services' **form** (its service and governance structure) must support the **right balance of operational, financial, and political functioning**.

5   Choice Dimensions and Options

This section looks at how Walsall should make its decision, and what options it must decide between.

5.1   Possible Models

Based on the research Black Radley has undertaken, and on the evidence gathered as part of the stakeholder/comparator assessments, there are four service options and three governance options which merit review.

The service options are:

- Continue as is;
- Organisation only delivering the statutory archives/records management services from the existing Local History Centre site;
- Organisation only delivering statutory archives service plus Leather Museum from current Leather Museum site;
- Organisation delivering archives, Walsall Museum and Leather Museum services from Leather Museum site;

The option of another site is not considered due to lack of a suitable site.

The governance options are:

- As is, part of Walsall Council;
- An independent Trust
- Outsourced to another third party organisation

5.2   The Right Balance

A public service organisation can be seen as an essentially **political** entity (compromising between competing agendas and interests); or from an **operational** viewpoint (it is there to get the job done); or from a **financial** perspective (managing budgets, achieving a socio-economic return on investment). There are tensions between these three priorities.
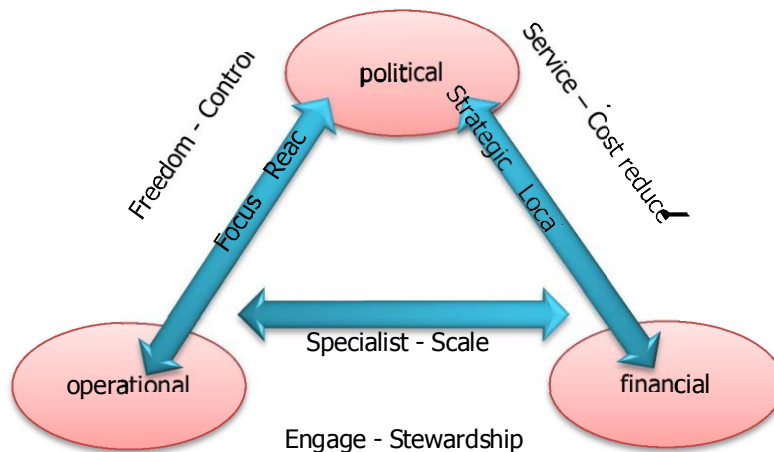

Figure 3: Choice Dimensions

For Walsall's heritage services, these tensions translate into six choices as shown above. These are:

Freedom v Control: are we more concerned to set the service free, or to keep it under political ownership?

Focus v Reach: do we want something tightly focused and customer prioritised (e.g. focusing on specific parts of the community, such as socially deprived groups and/or BME communities), or a service which impacts on all citizens?

Service v Cost-reduction: are we looking for visible service excellence, or are we driven by the need for austerity?

Strategic v Local: are we more concerned to achieve the strategic advantage of working across the Borough or tighter local control & direct integration with other local authority activities?

Specialist v Scale: is the quality of our service more important than the cost advantages of economies of scale?

Engage v Stewardship: are we in the business of dynamic and far reaching customer experiences, or are we principally about the stewardship of valuable public assets?

For each choice, there is a spectrum of possible answers between the two extremes.

5.3   Premises Options

The Service currently operates out of three sites:

- The Leather Museum – a historic factory building with a modern extension housing the visitor entrance and shop;
- Walsall Museum – housed in the library in the town centre;
- The Local History Centre and Archives – a former school building approximately a mile north of the town centre in a deprived suburban area.

Apparently the Council has looked for a completely new site for an integrated service without success. Discussions with stakeholders confirmed this, and offered no additional ideas on potential locations. This Review assumes that there is no such suitable site.

Initial work was done developing a sizeable bid for funding from the Heritage Lottery Fund to redevelop the Leather Museum site. However discussions with senior HLF staff indicated that the bid would have little chance of success. The bid entailed purchasing the other half of the site from Walsall College coupled with a new build. One reason for the rejection of the bid was its large scale; it entailed all the existing services and collections from the three sites being moved into the redeveloped site without significant rationalisation.

The Local History Centre site is barely fit for purpose for the current service, this judgement is made on the basis of conditions as much as size. However the site does currently provide the specialised storage facility required by the archive

service. Given the location of the site there are concerns about security if it was not manned on a regular basis. Storage for the archive records is a key issue in any premises reconfiguration. The modelling assumes that the current site is retained for one year pending suitable alternative storage being identified.

Redevelopment of the Local History Centre site has been considered by the Council but is not thought to be a viable option at present.

The Walsall Museum site is functional but there are issues with parking and the environment for the collections.

The Leather Museum is the only site which offers potential for the relocation of other services to achieve more joined up working, a focal point for the service and savings. This option was supported by community focus groups as part of the preparation of the bid. Black Radley visited all three sites and a separate report is available on these visits.

6   Success Criteria

This section takes the six choice dimensions and sets out an assessment of what the right balance would be for Heritage Services on each dimension. This assessment is based mainly on the evidence gathered by BRC during the project, supported by existing knowledge of the area and the cultural sector.

The assessment below gives us the Heritage Services-specific success criteria, which can then be used to review the various options.

6.1   Freedom v Control

How close or distant should heritage services be from the Council?

Summary success criteria: Strategic Influence

There is no consistent view on how close or distant Heritage Services should be from the Council, the focus was on tackling the issues facing the Service. Both members and senior officers were happy to explore options that might involve the service being run by a third party, independent from the Council. There were some concerns expressed by members though about the Trust alternative, though these were based on a specific, local example. It is clear that the stakeholders think that the Council should retain strategic influence over the Service; however those same stakeholders acknowledged that if the service remains directly run by the Council it is likely to result in further cuts to its subsidy

6.2   Focus v Reach

To what extent should heritage services be focused on a small set of customers or activities?

Summary success criteria: Four Points of Focus

Ideally, considering the relatively small size of the service, Heritage Services should not attempt to be all things to all people but settle on a small number of key points of focus that have powerful appeal. This narrower more defined focus will enable the Service to meet its agreed objectives without having to address non-core issues. The precise nature of the focus is for discussion and agreement, nevertheless a starting point could be:

1. focus the Walsall Museums' and Local History collections into a coherent story of the town, it's history and it's people;
2. continue to extend and develop the story of the leather industry in Walsall as the key economic sector;
3. promote online access to customers, particularly archives and the Leather Museum shop, to make best use of its assets;
4. Collect archives that reflect the history and development of Walsall and act as the Council's archive service.

As part of this process it is crucial that both Heritage Services and the Council are clear what (if any) support and/or subsidy from the Council is

available to any directly run or independent organisation running the service in the future, and what this subsidy is buying.

6.3   Service v Cost-reduction

Should Heritage Services be about enhancing the service, or about reducing costs?

Summary success criteria: Reduced contribution from Walsall Council, increasing external funding

The Council is facing up to a very challenging financial future and Heritage Services have to be part of the solution. Being mainly a non-statutory service, Heritage Service's levels of funding are likely to come under severe pressure in the medium term whether the Service remains within direct Council control or not. Budget reductions of c.10% are planned for financial year 2014/15 and reductions of 30 to 40% are anticipated in the next 5 years, as they are for many of the services across the Council. This will mean: (1) reduction in current levels of service; (2) better exploitation of current collections and sites (and a willingness to recommend a more robust collection management approach); and (3) a strong focus on stimulating enterprise and drawing in additional funds.

6.4   Strategic V Local

Should the Heritage Service be working more closely with other Services across the Borough e.g. Leisure Services, or working individually with communities and visitors?

Summary success criteria: Effective working across services

Heritage Services is integrated into the working Walsall Council. However it could be working at a closer, and more strategic level with other services run by Walsall Council. Concerns were expressed by HLF, for instance, that Heritage Services staff had not worked closely with other parts of the Council who have delivered high quality HLF projects. Members and Senior officers both suggested that any review of governance of the service should also consider the on-going work developing a Leisure Trust in the Council. Members seemed keen to explore the potential of a vehicle/trust that might include leisure services, the heritage services, and other aspects of the cultural sector such as libraries. There was also a general feeling that the Service should be looking to share sites, and potentially services in order to drive down costs.

6.5   Specialist v Scale

Should Heritage Services be developing a specialist focus to try and improve its profile and leverage? Or should Heritage Services have a more generalist competence, maintaining a wide range of competences and functions?

Summary success criteria: Local specialist

The majority view is that the Service is to serve local people. The Leather Museum does have a wider profile but set in the context of a very local industry. The Service needs to engage directly with local people, understanding their needs and expectations, becoming valued and used by them. There was also a strong feeling amongst members and senior officers that the Service needs to do more to raise its profile amongst internal stakeholders and the public. The New Art Gallery was cited as an example of good practice, though the different levels of subsidy were also acknowledged.

6.6   Engage v Stewardship

Is Heritage Services in the business of dynamic customer experiences, or is it principally about the stewardship of valuable public assets?

Summary success criteria: Lean heritage model for Walsall people

There is a strong desire amongst the majority of staff and stakeholders to focus on a service that supports the local community to develop a sense of pride and self-esteem in Walsall. However the message from members and senior officers is that this needs to be done with a clear understanding that the service needs to drive down costs and sweat its assets more effectively. This direction should be coupled with a more active approach to identify where the Service can contribute to other Council priorities such as education, health and the economy. Concerns were also expressed about the scale and increasing size of certain aspects of the local history collections.

7   Options Analysis – Governance Forms

This section sets out the key legal and implementation considerations around the three possible governance options noted in section 5.1.

- As is, part of Walsall Council;
- An independent Trust
- Outsourced to another third party organisation

Two of the possible governance options outlined above involve Heritage Services being delivered by a different organisation from the Council. In the Trust option the organisation will be a new one set up specifically for the purpose of running the Service. There are many issues, challenges and costs associated with setting up a new independent organisation. Some of these are recorded in Appendix 2.

In the outsourcing option the independent organisation might be an existing body or a new organisation set up by an existing body for the specific purpose of running the service. The stakeholder conversations threw up a number of potential organisations who might show an interest; these included the Black Country Living Museum, the Birmingham Museums Trust and the Wigan Leisure and Culture Trust. The last of these is already delivering services in other localities including the museum service in Cannock Chase District Council. Other local authorities such as Wolverhampton and Staffordshire might also show an interest. The arrangement with Walsall Council would be defined by way of a contract or Service Level Agreement.

Stakeholders were keen to point out that they did not want to see change simply for changes sake. They pointed out that a number of local authorities had put museums and heritage services out to Trust as a "knee jerk" reaction, without necessarily thinking through the implications. Members and senior officers wanted to see tangible benefits created by any change in governance. Though senior officers were quick to acknowledge that remaining within the Council in the long term would leave the Heritage Service vulnerable to further budget reductions.

One option might be for the Service to realise the benefits of independence whilst remaining under the control of the Council, however that would still might leave the subsidy the service receives vulnerable to further cuts.

In any governance arrangement the Council will still have to meet its statutory obligations in relation to archives and records management. These legal requirements are best summarised on the TNA website at http://www.nationalarchives.gov.uk/archives-sector/legislation.htm.

Appendix 5 contains 'Guidance on the proper arrangements for archives' from the TNA website.

8   Options Analysis – Stakeholder Feedback

This section sets out the key findings from the stakeholder engagement which was undertaken as part of the work undertaken.

- Senior officers and members would like to see a rationalised service based at the Leather Museum site;
- Senior officers and members talked positively about the popularity and success of the Leather Museum;
- Senior officers and members struggle to see a purpose and value to the Walsall Museum;
- Senior officers and members were happy to explore options that would involve the service being delivered beyond Walsall Council;
- There were mixed views about the Local History and Archives service, a number of stakeholders understood the relevance to local people but were concerned about the small number of users the service has;
- The locations and facilities for both the Walsall Museum and Local History centre are seen as substandard;
- There may be a change of administration in Walsall next year, this is likely to have a strong influence on the sort of financial and strategic decisions which might be made in the short term;
- The staff across the service are seen as a real asset, their knowledge, experience and dedication was regularly commented on;
- There was a strong message from senior officers that the service needed to become more enterprising and draw in additional grant funding;
- HLF reiterated the message that the original approach from Walsall Council was not realistic, and needed to be better prepared;
- However a smaller bid (less than £2 million, so it would be decided upon regionally, rather than nationally), would be considered;
- HLF recommended working with other parts of Walsall Council who had recently bid for funding successfully.

9   Options Analysis - Financial Drivers

This section sets out the main financial drivers associated with assessing any change to Heritage Services' service and governance models.

9.1 Context

An analysis of the baseline financial model of the service is shown below:

	Leather Museum	Walsall Museum	Local History Centre	Queen Street	Total
Employees	172,289	91,935	216,122	0	480,346
Premises	76,309	697	25,253	30,023	132,282
Transport	773	180	432	0	1,385
Supplies	13,313	8,347	27,613	0	49,272
	262,684	101,159	269,420	30,023	663,286
Income	(31,307)	(3,682)	(13,642)	0	(48,631)
Net expenditure	231,377	97,477	255,778	30,023	614,655
Employee costs as % of total expenditure	66%	91%	80%	0%	72%
Income as % of expenditure	12%	4%	5%	0%	7%

The baseline financial model has been arrived at by assuming an overall 10% reduction from the 2013/14 budget. This comprises an 11% reduction on employee costs and a 10% reduction on supplies. The Queen Street store costs are unchanged. Income received is the same as the 2013/14 budget levels apart from DSG income for schools which has not been included as its future receipt is uncertain.

As can be seen the major expenditure of the service comprise employee costs which represent 74% of all expenditure.

The FTE headcount for the three staffed sites are:

- •   Leather Museum & Walsall Museum   8.3, (4 full time & 8 part time)
- •   Local History Centre   7, (5 full time & 4 part time)

The 8.3 museum FTEs are allocated 3.3 to Walsall Museum and 5 to the Leather Museum.

The Museums' staffing structure has been reduced significantly and is now a very lean structure, across two sites, with flexible work practices. This provides very little in the way of spare capacity in the event of staff illness, maternity leave, annual leave etc. Extensive use is made of volunteers (over 3,500 volunteer hours were donated in 2010, equalling 2 full time posts). Archives staffing structure has also been significantly reduced with 4 redundancies over the past few years.

Cost savings can only be realised in a limited number of ways:

- Increasing productivity, fewer staff are required to deliver the existing level of service;
- Reducing the level service offered and thereby reducing the number of staff required to deliver the service;
- Reducing the number of buildings occupied to achieve economies of scale;
- Reducing the number of artefacts maintained to reduce storage costs and the number of staff who maintain them;
- Significantly increasing income levels.

The four service options specified in section 5.1 reflect these drivers.

In two of the three governance options, outlined in Section 5.1, the service is being outsourced to an independent organisation. As part of this arrangement Walsall Council will still have to make a financial contribution to the organisation(s) for the delivery of the service. The level of influence that the Council will be able to exert varies between the different governance options. In the outsourcing model this influence will be through a contractual interface. In the independent organisation this influence will also be by way of membership of the delivery organisation and participation in the Board.

In the outsourcing option the Council's financial influence will be limited. If the delivery organisation is able to make savings or generate additional income within the terms of the contract then it will gain the financial benefit. The agreement defining the financial relationship between the outsourcing organisation and the Council could make provision for sharing any financial upside. It is likely under these circumstances that the delivery organisation would also seek to share any downside risk as part of the agreement.

Whilst the outsourcing option is becoming increasingly common across local government, examples in the Heritage sector are still relatively rare, however a useful local example is Cannock Chase, where Wigan Leisure and Culture Trust have been running the leisure and museum services since April 2012.

Given that in two of the options the delivery organisation will be independent, the process for determining the level of the Council contribution will be determined by negotiation, informed by historical information and modelling.

9.2   Independent organisation financial issues

Most of the finances of the service are not dependent upon which of the three governance options is followed although the finances are clearly a function of the service option. In order to model the financial effect of different governance options the following headings have been identified as being variable under different governance options:

- Enterprise Dividend;
- Taxes;
- Philanthropic income;
- Central costs;
- Governance costs.

These five headings enable the differential impact of each of the governance options to be modelled. The financial modelling is not intended to be predictive but to allow a comparison of the financial implications of the different governance options.

Each of the five headings and the relevant issues are explained further below. Some of the headings have an investment dimension in the model, recognising that generating new income may require up-front investment.

Enterprise Dividend

Under the independent delivery organisation model the service should be able to be more enterprising and innovative. This will entail exploiting existing sources of income, such as retail and catering, more effectively and accessing new sources of income.

The enterprise dividend will only be realised by staff within the organisation changing their behaviour and taking advantage of the freedoms which will come with independence. This will require changes in both the way in which the service is directed by the Board and management and by the way front line staff deliver the service. These changes in behaviours are not easily realised and not all staff will be comfortable with the new ways of working. Evidence from comparator organisations indicates that such a cultural shift can take some years to embed it.

Taxes

If the delivery organisation is a registered charity there are certain tax benefits that can be realised. The reduction in the National Non Domestic Rates (NNDR) represents a reduction in the rate charge to the museum service. As a charity the organisation would be able to claim an 80% reduction in its non-domestic rates and might be able to get relief for the other 20% if the Council thought it appropriate. There are also certain VAT exemptions including paying a lower rate of VAT on fuel and the ability to not charge VAT on some sources of income.

Philanthropic Income

Evidence suggests that there is often a reluctance to donate money to a service that is part of a local authority so an independent organisation should be a more acceptable vehicle for philanthropic income both corporate and personal. Fundraising requires a specific skillset and is a long term activity, BRC experience is that that it also involves a change in culture in newly independent organisations; this change can take some time to occur. Any existing fundraising strategy will need to be refreshed under these governance options.

Independent organisations might be able to access funding from trusts and foundations that were not open to the service as part of the local authority. Being a registered charity may assist in accessing new sources of income. Conversely there is also the risk that an independent organisation might not be able to access some sources of funding which were available to the Council.

Central Costs

The Service is currently charged amounts internally within the Council for the provision of certain services. The cost of these services is in the region of £140k and may include gas & electricity and the provision of finance, property, HR and IT support. These issues will need discussion and agreement by the Council finance department.

An independent delivery organisation might still choose to have these goods and services provided by Walsall Council but would also have the option of accessing the market for cheaper and/or effective services.

Governance costs.

Under the new organisation options being considered there will be additional governance costs, such as Companies House and Charity Commission compliance and the costs of running the board.

10   Options Analysis – Success Criteria Assessment

This section uses the success criteria to assess the range of possible governance options.

10.1 Reminder: Success Criteria and Options

Section 7 set out a range of choices, the answers to which are the success or design criteria for the optimum governance model.

These criteria are:

1. Strategic Influence;
2. Four points of focus;
3. Reduced contribution from Walsall Council;
4. Working across services;
5. Local Specialist;
6. Lean heritage model for Walsall people.

The success criteria numbered 2, 3, 5 & 6 relate to service functions and so are used to evaluate the service options. The success criteria 1 & 4 relate to governance functions and so are used to evaluate the governance options.

As noted in section 5.1 the service options are:

- Continue as is;
- Organisation only delivering the statutory archives services from the existing Local History Centre site;
- Organisation only delivering statutory archives service plus Leather Museum from current Leather Museum site;
- Organisation delivering archives, Walsall Museum and Leather Museum services from Leather Museum site;

The possible governance options available to the Council for the delivery of Heritage Services are:

- As is, part of Walsall Council;
- An independent Trust
- Outsourced to another third party organisation

10.2 Service Option Evaluation

The table below shows how four of the service options meet the service criteria. The statutory archives, Leather Museum and Walsall Museum from another site has the same evaluation result as those services from the existing Leather Museum site.

	Continue as is	Statutory archives	Statutory archives plus Leather Museum	Statutory archives, Walsall Museum and Leather Museum
Four points of focus				
Reduced contribution from Walsall Council, increasing external funding				
Local Specialist				
Lean heritage model for Walsall people				

10.2.1 Baseline - Continue As Is, part of Walsall Council

In this scenario, Heritage Services would be maintained as a directly run Council Service, buying in services from other Council departments.

Evaluation against Service Success Criteria

- Four points of focus – Could be achieved with a refocusing of the service.

- Reduced contribution from Walsall Council, increasing external funding – Would not be achieved, without unsustainable damage to the service. The Heritage Service has struggled to secure external funding in the recent past, and a significantly reduced service will struggle even more.

- Local specialist – Heritage Services is currently delivering a local specialist service, though it is recognised that the Museum and Local History Centre needs to raise its profile with stakeholders and the people of Walsall.

- Lean heritage model for Walsall people – Heritage Services is currently delivering a service model meeting the needs of certain parts of the local community, however there are large swathes of the community that are not being appropriately served, and there is a strong perception amongst members and senior officers that the Walsall Museum and Local History service are poorly located and to some extent irrelevant. It is important that the management of collections is aligned with the future direction of all aspects of the service.

10.2.2 Service 1 - Organisation only delivering the statutory archives services;

In this scenario, all of the Heritage Services would cease apart from the archive service required by statute. Initially the service would remain in the current building and the funding released would enable short term

repairs to be carried out before a more suitable permanent location was found.

Evaluation against Service Success Criteria

- Four points of focus – The four points of focus would not be achieved. Online engagement in the archive service could be promoted but this would only be a fragment of the existing service.

- Reduced contribution from Walsall Council, increased external funding – Would achieve a significant reduction (c.70%) in the contribution required from Walsall Council. However the capacity to secure additional funding, either through enterprise and grants would be reduced to virtually nothing.

- Local specialist – Heritage Services would not be delivering a local specialist service.

- Lean Heritage model for Walsall people – Heritage Services would not be delivering a service model meeting the needs of local people, though the service would be much leaner.

10.2.3 Service 2 - Organisation only delivering statutory archives service plus Leather Museum from current Leather Museum site;

In this scenario, Heritage Services would deliver statutory archive services and the existing offer from the Leather Museum site. Storage facilities for the archive material would remain on the existing site in the short term.

Evaluation against Service Success Criteria

- Four points of focus – The Service would deliver the four points of focus with a redirection of the service.

- Reduced contribution from Walsall Council, increasing external funding – Would achieve a significant reduction (c.40%) in the contribution required from Walsall Council. The Leather Museum would remain well positioned to secure some additional funding, though the benefits that might be accrued from the strong aspects of the Walsall Museum and Local History collections would be missed.

- Local specialist – Heritage Services would be delivering quite a limited local specialist service. It could build on the popularity and success of the Leather Museum to raise the services profile with internal stakeholders and the public; however the full story of the Borough could not be told.

- Lean heritage model for Walsall people – Heritage Services would be delivering a lean service model; however it would be difficult to offer a service, particularly local history, which would meet the needs of local people. It would also be challenging for the service to contribute to wider Council agendas.

10.2.4 Service 3 - Organisation only delivering archives service plus Leather Museum and Walsall Museum from current Leather Museum site;

In this scenario, Heritage Services would deliver a combined local history service, building on the strengths of the current Walsall Museum and local history centre offer, and the existing offer from the Leather Museum site. Storage facilities for the archive material would remain on the existing site in the short term.

Evaluation against Service Success Criteria

- Four points of focus – The Service would deliver the four points of focus with a refocusing of the service.

- Reduced contribution from Walsall Council increasing external funding (if we are delivering a somewhat wider archives service still the same savings) – Would achieve a significant reduction (c.25%) in the contribution required from Walsall Council. The service would also be well placed to secure additional funding through increased enterprise and grant funding.

- Local specialist – Heritage Services would be delivering a local specialist service, and would have the capacity to deliver to a relatively wide range of services, the service would also be well placed to raise its profile

- Lean heritage model for Walsall people – Heritage Services would be delivering a service model that should be well placed to meet the needs of a broad range of local people, and to potentially contribute to other, wider Council agendas.

10.3   Governance Options Evaluation

The table below shows how the three governance options meet the governance criteria.

	As is, part of Walsall Council	An independent Trust	Outsourced to another third party organisation
Strategic Influence			
Effective working across services			

10.3.1 Continue As Is, part of Walsall Council

In this scenario, Heritage Services would be maintained as a directly run Council Service, buying in services from other Council departments.

Evaluation against Governance Success Criteria

- Strategic Influence – Would be in place

- Effective working across Services – Would need to improve given the evidence provided as part of the development of the report. Shared service delivery would also need to be seriously considered to meet the necessary savings target.

10.3.2 Independent Trust

In this scenario, Heritage Services would become an independent organisation which has a grant maker/grantee relationship with Council. The financial/legal interface is determined by a contract, which has a 3 to 5 year rolling budget figure. Contractual terms are in place to cover dispute resolution.

There would be member representation on board of trustees. A managed exit from Council corporate services support would take place.

Evaluation against Governance Success Criteria

- Strategic Influence – The service detaches from the Council, working at some distance with complete operational decision making independence. Depending upon how the trust was set up will determine the level of strategic influence exerted by the Council. Some members expressed concerns about a move to trust, lack of control and low critical mass, and these concerns would need to be considered.

- Effective working across services – Any move to an independent trust would need to consider other work going on elsewhere in the Council where services are being reprovisioned. Officers referred to the work around leisure services in particular. This may result in a Trust with a wider remit than simply heritage services. Any move to an independent trust would need to be carefully managed and administered to ensure that the new Trust engaged effectively with other Council departments in the delivery of services to the people of Walsall.

10.3.3 Outsourcing

This option involves passing the whole function across to another business or existing independent. Such a move would need to be managed under contract – therefore there would similar specific points to the trust option above.

Evaluation against Governance Success Criteria

- Strategic Influence – Influence will only be exerted through the contractual interface which will always result in a reduction in leverage. However stakeholder discussions indicated that both members and senior officers were open to the principle of outsourcing.

- Effective working across Services – Any move to an outsourced arrangement would need to consider other work going on elsewhere in the Council where services are being reprovisioned. The SLA with the outsourcing organisation would need to be carefully drafted, managed and administered to ensure that the new organisation engaged effectively with other Council departments in the delivery of services to the people of Walsall. Of course any business bidding to deliver the Service may not

wish to incur the additional cost and management burden of across service working.

10.4 Success Criteria Analysis Summary

The success criteria point to the delivery of a rationalised and combined local history offer building on the strengths of the Archives and Local History team and the Walsall Museum, it would also deliver a slightly scaled down Leather Museum offer, all from the Leather Museum site.

The governance options are less clear. Strategic influence would be best maintained if the Service was kept within the Council; the service will also be well positioned to work across the Council as well.   However this option is likely to make the Service more vulnerable to future budget reductions. It will also restrict the ability of the service to become more fleet of foot and flexible, unlikely to seize the opportunities to be enterprising that may arise. There are some financial implications from the different governance options as outlined below and in Appendix 3 but this high level modelling must be used with care in making decisions.

The financial model below shows the net cost of the service not including central costs, capital purchase or premises closure costs for each Service option.

	Baseline	Service 1	Service 2	Service 3
FTE headcount	**13.8**	**3**	**8**	**10**
Employees	480,346	104,066	263,036	367,002
Premises	132,282	78,352	131,585	131,585
Transport	1,385	120	979	1,339
Supplies	49,272	26,214	40,042	46,216
Total expenditure	**663,286**	**208,752**	**435,642**	**546,142**
Income	(48,631)	(3,411)	(34,718)	(38,128)
Net expenditure	**614,655**	**205,342**	**400,924**	**508,014**
Employee costs as % of total expenditure	72%	50%	60%	67%
Income as % of expenditure	7%	2%	8%	7%
Savings from current 2013/14 budget	10%	70%	41%	25%

11 <u>Recommendations</u>

Section 7 sets out the following success criteria, based on the preceding analysis. Walsall's Heritage should have the following characteristics:

1. Strategic Influence;
2. Four points of focus;
3. Reduced contribution from Walsall Council;
4. Working across services;
5. Local Specialist;
6. Lean heritage model for Walsall people.

These six criteria were then cross referenced to the spectrum of options outlined in Section 10 to produce the recommendations set out below.

a) Bring together the Local History Centre with the collections of the Leather Museum and Walsall Museum to develop a combined and rationalised local history offer for the people of Walsall with a sharper focus on a relatively small number of key points that have powerful appeal.

b) Ensure that all archives and records management statutory requirements continue to be delivered effectively, however slim down other aspects of the archives service. In particular, review current practise and devise a more robust collection management approach.

c) Relocate these new local history and archives offers at the Leather Museum site, vacating the Library building and existing local history and archives centre. Give further consideration to a smaller HLF bid for funding to help deliver this recommendation; taking advantage of expertise elsewhere in the Council to assist with this.

d) Concentrate all remaining resources on the four points of focus

e) In the transition storage of collections especially from the Local History will need resourcing so investigation into other options is required.

f) Consult with elected members concerning the possibility of moving the service out of direct Council control

g) Develop a strong focus on stimulating enterprise and drawing in additional funds (e.g. drawing in more grant funding and retail income).

Appendix 1 – Project Process

The evidence gathering aspect of the project involved work in four areas:

- Contextual Analysis;
- Stakeholder Engagement;
- Comparator Analysis;
- Financial Baselining.

A brief summary of the scope and scale of the first three aspects of the evidence gathering work in included below.

Contextual Analysis

The documentation considered included the following:

The Corporate Plan 2011/12 – 2014/15
Walsall Sustainable Community Strategy (SCS) 'The Walsall Plan' (Draft)
How good is your service? Walsall Local History Centre, 16th Nov 2010.
How good is your service? Walsall Museum service, 15th Jun 2010, revised Jan 2011.
Asset Management Suitability/Sufficiency Surveys for Local History Centre Essex Street, Walsall Museum Lichfield Street and The Leather Museum Wisemore.
Retention Schedule for Corporate Records, Dec 2010, under review.
Emails and papers prepared by the Service on background, budgets, staffing and performance.

Stakeholder Engagement

Discussions took place with a variety of stakeholders from within the Council and other organisations:

- Cllr. Andrews
- Cllr. Harris
- Jamie Morris
- Keith Stone
- Sue Grainger
- Mike Glasson
- Ruth Vyse
- Reyahn King, Head of Heritage Lottery Fund West Midlands

Financial Baselining

Using the 2013/14 budget as a baseline, high level models of the different options were prepared. Results in Appendix 3.

<u>**Appendix 2 – Independent Trust Issues**</u>

Incorporation

One of the decisions in determining the optimum governance option is whether any new organisation should be incorporated.

The most important benefit of incorporation is that it is possible to limit the liability of those involved in the running of the organisation whether as individuals or trustees. The possibility of unlimited liability would make the "not incorporated" options a potential blocker for some trustees.

The other benefit for incorporated organisations is the ability, as a separate legal personality, to contract in its own right.

In light of the above it is clear that, under any of the independent organisation options, incorporation is a requirement for any new delivery body.

The most common form of incorporation is as a company registered with Companies House.

Membership

Incorporation introduces the concept of an organisation owned by its members. Membership can take a number of different forms.

The most common membership structure in the cultural sector is a Company Limited by Guarantee (CLG). In this case the members, known as guarantors, undertake to contribute an amount to the company in the event of its winding up. The amount to be contributed is usually only a small nominal amount and in the event of any actual winding up would not provide meaningful resources for the settlement of company liabilities or costs of winding up.

Under certain circumstances the guarantors of a CLG may share in the profits of the business although this is generally not the case. Consequently CLGs are frequently known as Non Profit Distributing Organisations (NPDO).

The most common membership structure in the private sector is a Company Limited by Shares (CLS). The members own shares in the company, the shares make up the company share capital. Members will share in the profits of the business.

There are three other incorporated structures which would be available to a new delivery organisation: Community Interest Company (CIC), Industrial and Provident Society (IPS) and a Charitable Incorporated Organisation (CIO).

CICs are limited companies, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a "community interest test" and "asset lock", which ensures that the CIC is established for community

purposes and the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the Regulator who also has a continuing monitoring and enforcement role.

An IPS is an organisation conducting an industry, business or trade, either as a co-operative or for the benefit of the community, and is registered under the Industrial and Provident Societies Act 1965. The Financial Services Authority is the registering authority for societies which register under the Act. Co-operative societies are run for the mutual benefit of their members, with any surplus usually being ploughed back into the organisation to provide better services and facilities. Societies run for the benefit of the community provide services for people other than their members. There need to be special reasons why the society should not be registered as a company.

A CIO is a relatively new structure with the aim of reducing the regulatory burden of being both a charity and company. In England it still a relatively untested form and was really designed for organisations much smaller than the Heritage Services, although if the Strategic Marketplace option was adopted it may be worth considering. There is a view that the CIO may lack public awareness and credibility, and may actually result in an organisation looking very much like a charitable company limited by guarantee.

The most appropriate membership form would seem to be a Company Limited by Guarantee or Community Interest Company. The first is more established in practice, particularly within the museums sector; with CIC compliance being a relatively untested activity.

The composition of the membership and associated voting rights will need to ensure that there is the right balance between the organisation being truly independent and Walsall Council retaining an appropriate level of influence.

Management

As with most companies the day to day affairs are managed by a specific group of individuals acting as agents of the company. The name given to this group varies. In the private sector they are known as the board of directors.

Directors can either be executive or non-executive. A non-executive director (NED) does not form part of the executive management team involved in the day-to-day running of business. NEDs challenge and monitor the executive, contribute to the development of strategy and scrutinise performance.

NEDs are also responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, senior management and in succession planning.

In some organisations the executive and non-executive roles are spilt in two but there is a move towards unitary boards where the two types of director meet together and reach all decisions by consensus.

In determining the composition of the board of directors or trustees there will be the need to balance influence, control and commercial expertise. The comparator analysis we undertook illustrated that the majority of cultural organisations who had moved to an independent situation in recent years, have two local authority representatives sitting on their boards.

Charitable Status

Another key decision is whether the delivery organisation registers as a charity. Registration with the Charities Commission requires an organisation to have purposes that are charitable for the public benefit.

The Charities Act 2011 quotes "the advancement of the arts, culture, heritage or science" as a description of charitable purposes.

There are two key principles of public benefit.

Principle 1 - There must be an identifiable benefit or benefits:

- 1a It must be clear what the benefits are;
- 1b The benefits must be related to the aims;
- 1c Benefits must be balanced against any detriment or harm.

Principle 2 – Benefit must be to the public, or section of the public:

- 2a The beneficiaries must be appropriate to the aims;
- 2b Where the benefit is to a section of the public the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions;
- 2c People in poverty must not be excluded from the opportunity to benefit;
- 2d Any private benefits must be incidental.

It seems clear that any independent delivery organisation could serve a purpose that is for the public benefit.

One of the benefits of charitable status is the ability to take advantage of tax exemptions. The costs of charitable status are restrictions on certain trading activities and compliance costs. Compliance costs are not onerous requiring annual submissions to the Charity Commission.

Assets

The key assets of the museum service (e.g. premises and collections) may be owned by one organisation and the service delivered by another. Walsall Council may wish to retain ownership of these assets to protect them for community benefit. Almost all other local authorities who have devolved parts or all of their cultural services in the last few years have kept responsibility for such assets as collections and buildings.

Any such arrangement would require a binding agreement specifying the rights and responsibilities of both Walsall Council, as legal owner, and the independent organisation.

This arrangement removes the (emotive) charge that, in establishing an independent trust, the Council is "selling the family silver". Should the relationship break down, Walsall Council would be in a position to find an alternative means of providing stewardship for its assets.

Service Level Agreements

If the service was transferred to an independent organisation there would be a number of key interfaces with Walsall Council. The most important of these would be the agreement determining the levels and standards of service which the delivery organisation would be required to meet. Walsall Council would need to have levers to hold the delivery organisation to account and ensure that these service outcomes were being met whilst enabling the delivery organisation to be innovative and commercial.

In addition to the core service agreement Walsall Council could potentially provide services such as finance, HR and IT to the delivery organisation. In all cases it will be important that the interface is tightly defined and achieves the right balance of control for Walsall Council and freedom for the delivery organisation.

Staff

The staff currently working in the service are employees of Walsall Council. It is likely that any transfer of business and services to a new organisation will represent a TUPE transfer. TUPE is the acronym for the Transfer of Undertakings Protection of Employment Act.

In a TUPE transfer all the staff relating to the business are transferred to the new or acquiring organisation on their existing terms and conditions. The independent organisation will be able to restructure its workforce, make redundancies and change terms & conditions, post transfer but only if there are 'economic, technical or organisational' reasons for doing so

If the staff do transfer to a new organisation there would be significant liabilities transferring with them. These would include certain liabilities such as pensions and contingent liabilities such as redundancy payments. The delivery organisation would require cover for these liabilities. In such recent devolution processes as the creation of the Heritage and Arts Trust in Coventry, the need to quantify, manage and underwrite such liabilities has been an important learning point.

Another option would be for the staff to remain employees of Walsall Council and be seconded to the delivery organisation. This avoids the issues with liabilities outlined above but may not achieve the right independent culture.

Appendix 3 - Financial Modelling

This appendix explains the basis of our financial scenario modelling.

Service Options

The financial model took the four service options as below and modelled each of the four constituent parts of the service, namely Leather Museum, Walsall Museum, Local History Centre and Queen Street store:

- Baseline - Continue as is.

- Service 1 - The Local History Centre delivers a service to meet the statutory requirements from the Leather museum site. All surplus collections from the Local History Centre, and collections from the Leather Museum and Walsall Museum are put into long term storage on the Queens Street site or disposed of if more appropriate. The current Local History Centre site could be an option for short term storage.

- Service 2 - The Local History Centre delivers a service to meet the statutory requirements along with a reduced Leather Museum offer from the Leather Museum site. The overall service would deliver the four points of focus outlined in s.6.2. This option would require purchase of the remaining half of the Leather Museum site from Walsall College. All surplus collections from the Local History Centre, and the Leather Museum and the collections from Walsall Museum are put into long term storage on the Leather Museum or Queens Street sites or disposed of if more appropriate.

- Service 3 - The Local History Centre delivers a reduced service along with a reduced Leather Museum and Walsall Museum offer from the Leather Museum site. The overall service would deliver the four points of focus outlined in s.6.2. This option would require purchase of the remaining half of the Leather Museum site from Walsall College. All surplus collections from the Local History Centre, and the Leather Museum and the Walsall Museum are put into long term storage on the Leather Museum or Queens Street sites or disposed of if more appropriate.;

The results of the modelling are shown in the table below:

	Baseline	Service 1	Service 2	Service 3
FTE headcount	**13.8**	**3**	**8**	**10**
Employees	480,346	104,066	263,036	367,002
Premises	132,282	81,520	106,482	106,482
Transport	1,385	120	979	1,339
Supplies	49,272	26,214	40,042	46,216
Total expenditure	**663,286**	**211,920**	**410,539**	**521,039**
Income	(48,631)	(3,411)	(34,718)	(38,128)
Net expenditure	**614,655**	**208,510**	**375,821**	**482,911**
Employee costs as % of total expenditure	72%	49%	64%	70%
Income as % of expenditure	7%	2%	8%	7%
Savings from current 2013/14 budget	10%	69%	45%	29%

Staffing Assumptions

The staffing assumptions behind the service options are shown in the table below.

	Leather Museum	Walsall Museum	Local History Centre	Queen Street	Total
Baseline	4.5	3	6.3	0	13.8
Service 1	3				3
Service 2	8				8
Service 3	10				10

The baseline staffing numbers have been reduced by 11% to allow for the budget reductions for 2014/15.

Staff are employed at the average cost of the existing configuration.

The following tables show a four year financial model for each of the four Service Options. The table show both the current governance arrangements and the headline financial implications of moving to an independent trust.

Baseline - Continue as is

Expenditure	2014/15	2015/16	2016/17	2017/18
Employees	480,346	480,346	480,346	480,346
Premises	132,282	132,282	132,282	132,282
Transport	1,385	1,385	1,385	1,385
Supplies	49,272	49,272	49,272	49,272
Total expenditure	**663,286**	**663,286**	**663,286**	**663,286**
Income	(48,631)	(48,631)	(48,631)	(48,631)
Net expenditure	**614,655**	**614,655**	**614,655**	**614,655**
Redundancy costs	0	0	0	0
Premises costs	0	0	0	0
Total net costs - as is	**614,655**	**614,655**	**614,655**	**614,655**
Independent Trust				
Enterprise Dividend	0	(9,726)	(9,726)	(9,726)
Taxes	0	(18,273)	(18,273)	(18,273)
Philantropic Income (net)	0	5,000	(5,000)	(10,000)
Central costs	0	(25,000)	(25,000)	(25,000)
Governance costs	0	15,000	5,000	5,000
Total net costs - trust	614,655	581,656	561,656	556,656

The following assumptions on moving to a Trust have been made:

- Enterprise Dividend assumes an increase of 20% on earned income from all sources;
- The Taxes caption assumes 80% rate relief on both the Local History Centre and Leather Museum sites;
- Philanthropic income, reduction in central costs and governance costs are all estimates.

Service 1 - Organisation only delivering the statutory archives services

Expenditure	2014/15	2015/16	2016/17	2017/18
Employees	480,346	104,066	104,066	104,066
Premises	132,282	81,520	81,520	81,520
Transport	1,385	120	120	120
Supplies	49,272	26,214	26,214	26,214
Total expenditure	**663,286**	**211,920**	**211,920**	**211,920**
Income	(48,631)	(3,411)	(3,411)	(3,411)
Net expenditure	**614,655**	**208,510**	**208,510**	**208,510**
Redundancy costs	0	120,000	0	0
Premises costs	0	5,000	0	0
Total net costs - as is	**614,655**	**333,510**	**208,510**	**208,510**
Independent Trust				
Enterprise Dividend	0	0	0	0
Taxes	0	(7,014)	(7,014)	(7,014)
Philantropic Income (net)	0	0	0	0
Central costs	0	(25,000)	(25,000)	(25,000)
Governance costs	0	5,000	2,500	2,500
Total net costs - trust	614,655	306,495	178,995	178,995

The following assumptions have been made:

- Local History Centre sales at 25% of current levels;
- Redundancy costs of £10k (£120k) per staff member are assumed;
- Property costs of £5k are required to prepare the Leather Museum site for the Local History Collection, although caretaking charges are reduced from £50k to £30k.

The following assumptions on moving to a Trust have been made:

- Enterprise Dividend assumes no increase given the reduced scale of the service;
- The Taxes caption assumes 80% rate relief on the Leather Museum site;
- There is no philanthropic income given the reduced scale of the service;
- The reduction in central costs and governance costs are estimates.

Service 2 - Organisation only delivering statutory archives service plus Leather Museum from current Leather Museum site

Expenditure	2014/15	2015/16	2016/17	2017/18
Employees	480,346	263,036	263,036	263,036
Premises	132,282	106,482	106,482	106,482
Transport	1,385	979	979	979
Supplies	49,272	40,042	40,042	40,042
Total expenditure	**663,286**	**410,539**	**410,539**	**410,539**
Income	(48,631)	(34,718)	(34,718)	(34,718)
Net expenditure	**614,655**	**375,821**	**375,821**	**375,821**
Redundancy costs	0	120,000	0	0
Premises costs	0	10,000	0	0
Total net costs - as is	**614,655**	**505,821**	**375,821**	**375,821**
Independent Trust				
Enterprise Dividend	0	(6,944)	(6,944)	(6,944)
Taxes	0	(7,014)	(7,014)	(7,014)
Philantropic Income (net)	0	5,000	(5,000)	(10,000)
Central costs	0	(25,000)	(25,000)	(25,000)
Governance costs	0	15,000	5,000	5,000
Total net costs - trust	614,655	486,863	336,863	331,863

The following assumptions have been made:

- Local History Centre sales at 25% of current levels;
- Leather Museum sales at current levels;
- Redundancy costs of £10k (£120k) per staff member are assumed;
- Property costs of £10k are required to prepare the Leather Museum site.

The following assumptions on moving to a Trust have been made:
- Enterprise Dividend assumes no increase given the reduced scale of the service;
- The Taxes caption assumes 80% rate relief on the Leather Museum site;
- Philanthropic income the reduction in central costs and governance costs are estimates.

Service 3 - Organisation delivering archives, Walsall Museum and Leather Museum services from Leather Museum site;

Expenditure	2014/15	2015/16	2016/17	2017/18
Employees	480,346	367,002	367,002	367,002
Premises	132,282	106,482	106,332	106,332
Transport	1,385	1,339	1,339	1,339
Supplies	49,272	46,216	46,216	46,216
Total expenditure	**663,286**	**521,039**	**520,889**	**520,889**
Income	(48,631)	(38,128)	(38,128)	(38,128)
Net expenditure	**614,655**	**482,911**	**482,761**	**482,761**
Redundancy costs	0	120,000	0	0
Premises costs	0	20,000	5,000	5,000
Total net costs - as is	**614,655**	**622,911**	**487,761**	**487,761**
Independent Trust				
Enterprise Dividend	0	(7,626)	(7,626)	(7,626)
Taxes	0	(7,014)	(7,014)	(7,014)
Philantropic Income (net)	0	5,000	(5,000)	(10,000)
Central costs	0	(25,000)	(25,000)	(25,000)
Governance costs	0	15,000	5,000	5,000
Total net costs - trust	614,655	603,271	448,121	443,121

The following assumptions have been made:

- Local History Centre sales at 50% of current levels;
- Leather Museum sales at current levels;
- Redundancy costs of £10k (£5k) per staff member are assumed;
- Property costs of £20k are required to prepare the Leather Museum site and additional costs of £5k per annum thereafter.

The following assumptions on moving to a Trust have been made:

- Enterprise Dividend assumes 20% increase on all sources of earned income;
- The Taxes caption assumes 80% rate relief on the Leather Museum site;
- Philanthropic income, the reduction in central costs and governance costs are estimates.

Appendix 4 – Governance Transition

This section outlines how the transition to a new governance arrangement should be managed. A detailed financial plan should be developed from our model, taking into account likely changes to staff terms and conditions, new income sources, and new trading approaches.

Implementation - Checklist

A detailed project plan should be developed based on the following components.

Category	Item
Board	• Governance parameters • Recruitment • Strategic planning • Performance measurement/management
Team	• Restructure • Leadership • Communications • Morale • Cultural change • TUPE • Pensions
Enterprise	• Focus • Investment • Implementation
Delivery	• Form • Geography • Process
Marketing	• Positioning • Implementation
Finance	• Asset ownership • Asset maintenance • Internal Audit • External Audit • Budget • Capital budget
Risk Management	• Transition risks • New organisations risks • Risk register • Risk management
Interface Management	• Council strategic relations • HR • Finance • IT • Property • Marketing • External partners and suppliers
Change process	• Transition project management • Transition budget
Legals	• Activities • Assets • Liabilities • Contracts • Intellectual property rights • Employees • Equipment • Furniture and fittings • Lease/property • Transfer date

	• Tax
	• Compliance
	• Charitable status

Schedule

If the recommendations are accepted, a managed transition over several stages would be the lowest risk and lowest cost way to make the transition. A shadow approach to independence could be adopted, allowing internal interfaces to be agreed and practised (e.g. with property and HR support) before legal independence. The plan could be widely refined and agreed before a new Mayor takes post, allowing the new incumbent to be associated with a smoothly executed project. A possible schedule is set out in Appendix 6.

Key Transition Issues

Assets

The ownership of the main assets of the service, the premises and collections and the roles and responsibilities of all parties in using them will need to be covered by the service agreement.

Support timescale

In order to commit to delivering the service any independent delivery organisation will need to know the period of time for which Walsall Council is willing to provide funding and also the level of that support.

Ideally, this commitment would be associated with an agreed, rolling business plan of pre-determined length (e.g. 5 years), refreshed annually.

Liabilities

When the independent delivery organisation is established it is unlikely to have significant levels of reserves. Therefore it will not be able to take on significant liabilities, real or contingent. The main liabilities that would definitely crystallise in some form are pensions for staff.

The more contingent liabilities relate to redundancy costs if there was the need to reduce staff and premises costs relating to maintenance and/or refurbishment. There are known premises liabilities in relation to the Queen's Street premises which are in need of refurbishment. Any new governance configuration needs to allow for these costs.

Staffing

Staffing comprises over 50% of the total cost of the service.

Any acquiring organisation will need assurance that the workforce transferred will not hinder the delivery of an effective service within the agreed financial parameters. Walsall Council may need to carry out staff restructuring pre transfer to ensure that this is the case.

Termination

The transfer agreement needs to cover the eventuality of the either party wishing to terminate the arrangement.

Interface Management

Any new governance arrangement results in internal or external interfaces that have to be managed effectively. The organisation will need to manage its interfaces with people, functions and organisations which are outside of the organisation. These interfaces will be specified before the organisation moves to any new governance arrangement.

From a governance point of view, the key interfaces are:

- With the citizen (levels of service);
- With Walsall Council contract management;
- With other public services;
- With any culture/heritage policy function;
- With support functions;
- With Walsall Council political structures;
- With Walsall Council strategic planning/budgeting;
- With partners/competitors.

For each interface, the **ask, offer** and **quality assurance** (including penalty) processes need to be understood by the parties involved.

The process of defining these interfaces will be a major aspect of the transition process. Some elements of the interface will necessarily be included in a legal contract (e.g. for the management of assets). Others should be encapsulated in a Service Level Agreement or other less binding concordat, which helps set parameters around how the parties should work together and what they can expect of each other.

Organisational Ownership and Control

Walsall Council will not want to comprise more than 20% of the membership of the Company as that may indicate control and expose Walsall Council to future liabilities. Ideally the membership should comprise a wide cross section of the local community. The majority of comparator organisations (e.g. the Birmingham Museums Trust and the Luton Culture Trust) had two local authority nominated board members. Walsall Council will be able be to influence the Company by way of the service agreement.

The day to day management of the Company will be exercised by the senior management team under the direction of the board of directors. The Chief Executive of the Company should be an executive member of the Board of directors. Other members of the senior management team may be directors if required. Ideally the non-executive directors should outnumber the executive directors.

The Company should have a minimum and maximum number of directors. Directors may be appointed by the members or by the board. Walsall Council would expect to have a set of number of directors which they can nominate to be filled by members or officers of Walsall Council. Members and officers of Walsall Council would be ineligible for other director posts. The minimum number of directors and number of Walsall Council nominated directors should be set to ensure that the Walsall Council nominated directors cannot form the majority of the board.

Trustee Skills and Appointment

The Charity Commission document CC3 'The Essential Trustee' contains the following guidance:

> Charity trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members. The principles and main duties are the same in all cases.

- Trustees have and must accept ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

Compliance - Trustees must:

- Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports on what it has achieved and Annual Returns and accounts as required by law.
- Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.
- Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.
- Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

Duty of prudence - Trustees must:

- Ensure that the charity is and will remain solvent.
- Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.
- Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.
- Take special care when investing the funds of the charity, or borrowing funds for the charity to use.

Duty of care - Trustees must:

- Use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.

- Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

The first and possibly most important stage of the trustee recruitment process is to agree skills and experience that are required by the trustees. The board of trustees needs the right balance of skills and experience and appointments should be made explicitly to ensure this. Those comparator Museum and Culture Trusts who have recently secured independence have focused on bringing in such skills and experience as:

- Financial Management;
- Legal experience;
- Experience of working in and running commercial organisations;
- Understanding of local businesses;
- Background in, and understanding of, the wider cultural and creative sector;
- Links to Academia;
- Enterprise and Fundraising;
- Working with, or in, the media;
- The broader public sector;
- Health sector.

Some, or all, of these may have relevance to any process in Walsall. However the local context, and the likely priorities and direction of any new organisation will dictate the skills mix required.

It may be wise to recruit a small core of trustees at an early stage in the transition process, who can then help define and establish the new entity. A second tranche of trustees can be recruited once the organisation is ready to start.

The following guidance is taken from:

http://webarchive.nationalarchives.gov.uk/+/http://www.communities.gov.uk/local
government/360902/constitutionsandethics/constitutionalarrangements/guidancepr
oper/

Guidance on 'proper arrangements' for archives

Note: *The responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to Communities and Local Government in May 2006. All references to ODPM in the following pages now refer to Communities and Local Government.*

1. Introduction

1.1 Section 224 of the Local Government Act 1972 states:

Without prejudice to the powers of the custos rotulorum to give directions as to the documents of any county, a principal council shall make proper arrangements with respect to any documents that belong to or are in the custody of the council or any of their officers.

1.2 The section applies to principal councils as defined in the Act itself, the London Government Act 1963, the Local Government Acts 1985 and 1992 and the Local Government (Wales) Act 1994.

1.3 This note is being issued to provide guidance to local authorities on the implementation of section 224. It represents current best practice in the application of "proper arrangements" and is intended to assist local authorities in achieving cost effective management of their records.

1.4 This note should also be read in the context of new and proposed legislation, such as the Data Protection Act 1998 and the Government's proposals for Freedom of Information and for a new constitution for every council. It should also be considered as part of the Central Local Information Age Concordat.

1.5 The legislative framework for archive services is outlined in appendix 1.

1.6 Members and officers are reminded that this guidance has no legal status.

2. Definition

2.1 This note uses the term "records" for section 224's '.any documents which belong to or are in the custody of the council or any of their officers'.

2.2 For virtually all principal authorities which run or have run an archives service, or which have succeeded to the powers of an authority which has run such a service, "records" will normally comprise three broad groups:

- Records created by the authority and its predecessors in the course of its business

- 'Public records' (for example records of courts, coroners, hospitals and prisons) held on behalf of central government

- Records given to or purchased by the authority, or deposited with the authority normally on indefinite loan.

2.3 All these groups fall within the section 224 definition and within this note.

2.4 The records created by the authority can be further sub-divided into:

- Current administrative records and

- Semi-current administrative records

Principal authorities should make 'proper arrangements' for these records, whether or not they hold the other two types of records defined in 2.2 above and run an archives service.

2.5 The purposes for which current administrative records are held differ from those for which archives are held, although there is overlap and a proportion of the current administrative records will eventually become archives. These records will, therefore, be considered separately in section 4 below.

2.6 The definition in section 224 and in this note applies to all records irrespective of the medium on or in which the information is carried, including but not restricted to manuscript, typescript and printed records, photographs, sound recordings, film, videotape, computer disks and records held in electronic form.

3. Preservation and access

3.1 Proper arrangements should encompass the preservation of the records, including storage and conservation; and the provision of access, including

preparing finding aids and the means for enabling members of the public to consult the records (subject to any restrictions) under supervision.

4. Records management: current administrative records of the authority

4.1 This section covers records produced by the authority and in current administrative use. Records retain this currency for very different periods. Records of adoptions, for example, need to be retained for 75 years and throughout that period may be called upon for practical purposes. (In addition many records which have ceased to be regarded as current and which may not have been created by the authority may also be needed for administrative or legal reasons, for example determining the status of a road or footpath.)

4.2 Records represent information, one of the most important resources of any organisation. Local authorities should make arrangements for the cost-effective management of these records in the interests of the efficient transaction of their business. Local authorities also need to preserve certain classes of records for the legal protection of their own property or other interests.

4.3 In an increasingly litigious environment the importance of making and keeping adequate records is proportionately obvious. Cases about children in care and about the quality of education given can only be defended where relevant records can be readily accessed.

4.4 There is legal provision for some classes of these records to be preserved, and public access provided, and this is outlined in Appendix 1. In addition to these practical and legal reasons for the efficient management of an authority's current records is the need for democratic accountability. This underpins some of the legal provisions, but beyond this records relevant to public accountability and decision-making, and to the propriety and adequacy of the execution of their functions by the authority and its officers, need to be preserved and made accessible.

4.5 'Proper arrangements' for the current or recent records of a local authority should involve the skilled supervision of their management by an appropriately trained member of staff. Where the authority also runs an archive service, this record management should be considered as part of or operated in close co-operation with the archive service. A records management service should include the drawing up, in agreement with administrators, of retention schedules for all classes of the authority's records and the systematic disposal of those no longer of administrative use and not deemed to be of historical significance. It should provide

for improved speed and efficiency of retrieval of information and the cost-effective use of storage space. Pages from a specimen retention schedule form Appendix 3.

4.6 This aspect is particularly important in the light of the increasing quantity of data held in electronic form, and is covered in more detail in the next section.

4.7 Proper arrangements should also involve the provision of adequate storage for the records in conditions where they will not deteriorate and with protection from unauthorised access. Provision should be made for consultation by the authority's staff and, where appropriate, by members of the public. Guidelines should also be drawn up, and implemented, for the safekeeping of records retained directly by staff of the authority. Records identified by retention schedules as having long-term or vital significance should be treated accordingly during this period.

5. The management of electronic records

5.1 With the widespread use of computer applications variously known as office automation systems, desktop applications and electronic document systems, documents are held in electronic form as word processor texts, spreadsheets, databases and images, and can be as much a part of the records as their paper equivalent.

5.2 Those in charge of providing and preserving information will need to have policies to cover the electronic records, integrated with the overall information strategy, and the facilities and procedures to implement those policies through the lifecycle from creation to disposition of the electronic record.

5.3 Generally speaking, unless the facilities have had specific records management functionality designed into them, they are not likely to meet the full requirements in this area. Records management for electronic records should incorporate capabilities to maintain the authenticity, integrity, contextual information, audit trail and security of records and to support long term preservation of records. Electronic records management systems will therefore include not only functions necessary for immediate business use but also features supporting longer term perspectives including disposition scheduling, selection of the records for long term preservation and access to those records over the long term.

5.4 All types of document can be designated a record. Once designated as such, the document is no longer used formally by the creator but managed as part of the organisation's corporate information resources. To prevent loss or degradation of this resource, it is crucial that future usage and preservation are taken into account at the earliest possible stage.

5.5 An authority should consult its archive/records management service before it invests in electronic document management systems. These systems should facilitate the efficient retrieval of information for current business needs and should not compromise the permanent preservation of those electronic records that are considered to be of enduring historical value. An authority should seek to adopt a comprehensive information systems strategy, involving the periodic migration of electronic records to new systems in the light of technological developments. Such strategies should help avoid the possibility of electronic records becoming inaccessible because they are trapped in obsolete technology.

6. 'Historical' records (archives)

6.1 These records fall into the three sections outlined in 2.2 above: older, non-current records of the authority; public records; and owned or deposited records of other bodies or individuals. All these can be considered together.

6.2 Principal authorities across the country took up the challenge of providing for the country's archive heritage at local level over the last half century after a series of wide-ranging social and economic changes left it vulnerable. Preservation from permanent loss was and remains the driving consideration. Access has become increasingly significant, realising the potential of the asset held, providing valuable practical and legal information both to the authority and to the public, and enabling research to be carried out in a wide variety of subjects and at many different levels. Increasing use of the material has also been made in education, and this is now being further developed by the inclusion of archive material in the National Grid for Learning and the People's Network.

6.3 Proper arrangements for the historical records of an authority can be made either directly or by arrangement with another authority - for the provision of a joint service or for provision of the service by one authority on behalf of another.

7. Proper arrangements for archives

7.1 Documents setting out standards for aspects of running an archives service are listed in Appendix 2.

7.2 Proper arrangements should start with appropriate storage conditions, which should meet the provisions of British Standard 5454, protecting records against fire, water, atmospheric pollution, rodents and insects and maintaining stable levels of temperature and humidity within the limits set out in the Standard. Storage should be adequate not only to the present size of the collection but also to meet its expansion needs. Appropriate storage conditions should also be provided for

archives in non-traditional formats such as film and sound, and for electronic records if these are held. Protection against theft and vandalism should also be provided.

7.3 Provision should be made for the preservation needs of the records, to ensure that they are appropriately packaged, handled with care, and where necessary active conservation or repair work can be carried out. Conservation facilities may be provided either directly in-house within the archive service or by buying in or in co-operation with another service.

7.4 Proper arrangements should include provision for access by the public in a designated study area sufficient to satisfy normal demand, providing for the health and safety of the public and the special needs of disabled readers. The area should be under the constant supervision of a suitably trained member of staff. All records open to inspection by the public should be clearly described in publicly available finding aids; copies of finding aids should be supplied to the National Register of Archives. Finding aids may also be made remotely accessible by electronic means.

7.5 Proper arrangements should include liaison with schools and other educational bodies so that the educational potential of the archives can be realised; and outreach activities to the wider public. Together these will contribute to the Government's life-long learning programme.

7.6 Authorities will need to consider what staffing is required in terms of number, qualifications and experience in order to keep the records safe and make them available for public inspection; to ensure that proper advice is made available to the authority and to other owners of records on their care; to prepare adequate finding aids; and to take necessary practical steps for the preservation and conservation of the records. Staffing should include suitably trained people which may include professionally qualified archivists and records managers, professionally qualified conservators (unless this work is carried out externally - see 7.3 above) and non-professional archives or records assistants. It should also include clerical and support staff.

Appendix 1: Legislative framework

1 A statutory framework for archive care has developed by and large in the wake of activity undertaken by local authorities to preserve and provide for the national archive heritage at local level.

2 The Local Government (Records) Act, 1962, enables all local authorities to promote adequate use of their own records and empowered county and county

borough councils ('principal councils') to acquire other records by purchase, gift or deposit. District and borough councils could exercise these powers only under a specific ministerial order.

3 The Public Record Act of 1958 provides for the deposit of any class of public records, at the Lord Chancellor's discretion, in places other than the Public Record Office, provided these places have been appointed as places of deposit by the Lord Chancellor. Appointment depends on the provision of facilities for storage and safe-keeping and for public access as defined in the Act, determined by inspection.

4 Manorial and tithe records are specifically covered by statute; here too local places of deposit are recognised following inspection. The care of parochial records is governed by the Parochial Registers and Records Measure, 1978, amended 1992, stipulating the designation in each diocese of one or more diocesan record office. Almost universally local authority record offices have been appointed to this role.

5 An increasing body of legislation governs access to records, particularly the authority's administrative records. Specific classes of these records must be preserved, and public access provided, under Acts of Parliament and secondary legislation:

- The Local Government Act, 1972 section 228 provides local electors with the right to see the minutes of a local authority, an abstract of the accounts, and any report by an auditor on these accounts; any order for the payment of money; and any record required to be deposited with a local authority (subject to any statutory provision to the contrary).

- The Local Government Act, 1974 part 3 establishes the Commission for Local Administration in England to investigate written complaints of injustice arising from maladministration by a local authority, and provides that records relevant to the investigation must be produced.

- The Data Protection Act, 1984 protects the rights of data subjects to personal privacy while facilitating the free flow of information within the European Union and will be extended by the Data Protection Act, 1998 when it comes into force, notably from covering electronic records only to covering all records structured around the names of individuals.

- The Local Government (Access to Information) Act, 1985 provides for minutes, agendas, reports and background papers of meetings of principal councils that are open to the public to be available for public inspection. The Government's Freedom of Information white paper *Your Right to*

Know indicates that a far wider statutory right of access to local authority (and other) records will follow.