

WAFER HADLEY

SANDWELL MUSEUMS & ARTS  
STRATEGIC OVERVIEW REPORT

22/04/21

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## 1. EXECUTIVE SUMMARY

Sandwell Museums can bring families together. They can give depth to a sense of place and local pride. They can be centres for well-being and skills development, and excel in creating trusting relationships with highly-invested community participants.

In delivering these benefits, Sandwell Museums can provide a unique relationship between Council and community that is a precious element in SMBC's portfolio. The combination of enhanced trust and enhanced wellbeing is a useful dynamic for the Council to develop.

These benefits also directly contribute to Vision 2030 outcomes. The Cultural Prospectus (2020) describes how this works for the sector as a whole. In this report, the consultation and analysis we present shows a clear purpose for museums and arts specifically, and how this purpose serves Council priorities.

Our report highlights these positive aspects but it also describes weaknesses to be addressed. These include the need to diversify income sources and increase scale, and the need to enhance messaging and profile.

Our analysis suggests that the highest potential route to income diversification and growth is through accessing external funding. This area offers far greater potential gains for the Service than increasing earned income from visitors. However, to access external funding, the museums will need to evidence a high standard of delivery and show

how ambitious plans form part of a coherent strategy and partnership network.

A new approach in the Tourism, Culture and Leisure Service has seen a rapid upturn in external investment in Sandwell's Cultural sector, linked to the Cultural Prospectus aims.

This includes a £6.6m Towns Fund award for the West Bromwich Town Hall Quarter, £1.8m from Historic England for renovation and cultural programme within the Wednesbury Heritage Action Zone, and the identifying of Sandwell Country Park as a Live Site for the Commonwealth Games in 2022. The museums and events teams working in partnership have attracted £46,000 of investment from the Cultural Recovery Fund (Arts Council England).

This extensive investment focuses on placemaking, regeneration, and the part culture can play in linking communities to these initiatives. Museums can become a central part of this type of project, and the Service should look to feature front and centre in initiatives such as this.

This may coincide with the re-evaluation of current museum sites and their role in delivering Service outcomes. Over many decades museums provision in Sandwell has been subject to accretion, and has become focused on supply, resulting in a high number of sites relative to demand in the marketplace. With a small number of staff spread over multiple sites and many facilities in need of repair, the service is stretched very thin.

It may be the moment to consider the best use of each site on a case-by-case basis, preserving the built heritage by finding sustainable operating models for each building.

New investment may also be encouraged by building an evidence base for the Museums Service in its key area of impact – work with families. Working with partners for an increased impact with families and measuring the effects of this work could support applications for funding and build the Service’s reputation as specialists in this area.

Increased external investment and the increase in scale of impact that follows will go a long way to improving the weaknesses in messaging identified in consultation. Clear statements on purpose, such as “we bring families together”, may also help. A ‘change in the story’ could also benefit from a change in service delivery model, and we give a top-level survey of some options for alternative models in this report. However, positive messaging does not depend wholly on this course of action, and none of the delivery models offer a ‘magic bullet’ in the context of a depressed marketplace and scarce resources. Changing delivery model may be part of the picture, but real changes in perception will mostly flow from work at an enhanced scale.

This report gives a top-level overview of the Service’s strengths and weaknesses, and the possible solutions: external investment, innovative use of resources, and increased scale of impact. Underpinning all these is the necessity to look outwards, beyond the Service and the Council, and to make dynamic partnerships. Working together as a team and collaborating with new partners, Sandwell’s

museums can bring about the change the Service wants to make in the community.

## 2. MUSEUMS AND ARTS: VISION 2030

The Cultural Prospectus (2020) is the formal strategic link between the Council's Vision 2030, and the work of the Museums and Arts Service. The Service aims to deliver on the Council's priorities by achieving maximum impact in all three of the Cultural Goals set out in the Cultural Prospectus: a great place to live and visit, improved life chances for young people, and better health and wellbeing. The diagram opposite shows the Service's potential here.

On paper, the relationship between the activities of the Museum and Arts Service and the Council's vision is clear. Through the cultural prospectus we can see the museums' potential to contribute to sense of place and regeneration, to wellbeing and an inclusive economy.

But as highlighted in consultation feedback (Section 3), this clarity is not as visible when museums are discussed person-to-person or in the context of Borough development. The message is not getting through, or is not seen as credible.

This is partly due to the way the message is phrased: value or purpose is not coming across clearly, inside or outside the Council. It is also likely to be due to the scale of the contribution. The Service is relatively small, and it needs a bigger stage and higher-profile activity to assert its purpose.

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<sup>1</sup> This statement of purpose is drawn from consultation and staff workshops, and summarises Service aims based on existing strengths.

<b>MUSEUMS AND ARTS SERVICE PURPOSE<sup>1</sup>: CONTRIBUTION TO VISION 2030</b>
<b>A GREAT PLACE TO LIVE AND VISIT</b>
<ul style="list-style-type: none"> <li>• Museums build a sense of community by bringing people together</li> <li>• They build sense of place by celebrating shared heritage</li> <li>• They offer new experiences and improve quality of life</li> <li>• Heritage buildings and green spaces are symbols of local pride</li> </ul>
<b>IMPROVED LIFE CHANCES FOR YOUNG PEOPLE</b>
<ul style="list-style-type: none"> <li>• Museums focus on participatory work and build unique relationships</li> <li>• Their work develops work and life-skills</li> <li>• They form strong partnerships with schools</li> <li>• They bring families together at key moments in people's lives</li> </ul>
<b>BETTER HEALTH AND WELLBEING</b>
<ul style="list-style-type: none"> <li>• Museums provide a safe space, owned by the community</li> <li>• They have high levels of trust</li> <li>• They provide calm, green spaces and relaxation</li> </ul>

### 3. CONSULTATION

Our consultation during February and March 2021 has included conversations with the staff team at the Museums and Arts Service, with Service managers and the Borough Council Portfolio Holder, and with sector colleagues with a relevant perspective on Sandwell, including at the Library and Archive Service and the regional Museums Development Organisation. Several key themes have been evident in the discussion, as follows:

#### 3.1. Internal and external profile

Museums in the UK often suffer from negative preconceptions, which portray them as ‘dusty’, intellectual, and behind the times. All too often this is the starting point for people who are not engaging with museums, and it is fair to say that this is sometimes the perception within SMBC<sup>2</sup>. Consultees agree that there is a need to ‘change the story’ about the value of museums and present this clearly.

#### 3.2. A unique role

The chief value of museums in Sandwell is in their ability to bring people together, often at important moments in their lives: time with children, the school trip, the visit with friends or relations. Above all, the museums are valued for the “quality time” they offer to families. Family is very important in Sandwell, and there appear to be few initiatives aimed squarely at this area. Museums can claim this area of impact as their own.

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<sup>2</sup> It is also true that the buildings and staff are often regarded as prime assets, and Sandwell’s history is acknowledged as important to sense of place.



“We bring families together”

A purpose strongly linked to family is likely to appeal to the heart: but an evidence-based link to Sandwell's key goals may also be required to reach the head. This evidence is not currently in place, but could be built up through a robust evaluation programme.

### **3.3. Participatory community work**

The museums' dedication to local community comes through strongly in consultation. Internally and externally, it is viewed as a key strength to highlight. There is a great deal of potential here for co-creative activity, tapping into Sandwell people's desire to make and do. There is also a wish to make more external partnerships that may unlock doors to groups within the community or particular ways of working. This is seen as part of a more outward-looking approach, that could see the museums service become more active in regional networks, and able to link Sandwell into national initiatives.

### **3.4. Buildings and other spaces**

The heritage buildings managed by the Service are frequently the focus of conversations – they are valued highly and seen as central to the current offer. However, the view inside and outside the Service is that the buildings, facilities and interpretative content urgently need investment in order to reach a suitable standard. Maintaining services even at the current level may be beyond allocated budgets at present, and any initiative that might raise the game at any of the sites is currently not affordable.

Some consultees would like to see imaginative and flexible use of the Service's buildings. Museums are more than just buildings and collections – the activity created by museum staff and communities is

at the heart of the offer, and this can be provided both inside the walls of the museum and outside, and does not need to be limited to local history. This idea can be extended to include potential partnerships and sharing of space, using the available space to the full and justifying investment.

### **3.5. Low cultural engagement**

Visitor numbers at each of Sandwell's sites are seen as modest, but this is related to the scale of the offer. Visitor satisfaction appears to be high and there are many visitors who return frequently.

While low visitor numbers are linked to scale, they are also linked to demographic. Sandwell's cultural engagement is recognised as one of the lowest levels in the country, and this makes it a priority for central government, and agencies (such as Arts Council England and NLHF) that share its objectives.

Consultees recognise this as an opportunity, but also that it may be twinned with negative expectations outside the Borough. Because of the current low profile for culture in Sandwell, assumptions may be made externally about its ambition and capacity for responsive change.

Again, the message is that the 'story' must change in order to win the confidence of external investors.

## 4. BUILT ASSETS

The museums service manages a number of buildings in the Borough, and also has space in other buildings run by third parties. The four 'main sites' run by the Service are highlighted in the table below.

Site or space	Location	Focus
Oak House Museum	West Bromwich	History of house and inhabitants
Manor House/Bromwich Hall	West Bromwich	History of house
Haden Hill House	Rowley Regis	Period property and parkland
Wednesbury Museum & Art Gallery	Wednesbury	Visual arts
Bishop Asbury Cottage	West Bromwich	Childhood home of Francis Asbury
Arts Café, Central Sixth	Sandwell College	Local visual arts, temporary exhibitions
Galton Valley Heritage Centre	Smethwick	Canal heritage
Tipton Library Heritage Centre	Tipton	Local history

There has been some historical success in securing capital funding from NLHF (HLF), including at Oak House, where a redevelopment of the barns area took place in 2013-14, aided by a grant of just under £1m from HLF. Lightwoods House, owned by the Council but not part of the Museums Service, was successful in attracting £3.6m of HLF

<sup>3</sup> The Cultural Services Museums Arts Strategy, Built Assets, (Draft 2020), details the work required at each site.

investment in 2014. But there has been no recent success with development of capital bids to NLHF or other funders to address museum conservation and maintenance requirements.

Sandwell Museums has reported on various options for planning a long-term future for its buildings<sup>3</sup>. All these heritage buildings are emotionally important to the Council and community. But managing and maintaining the buildings involves significant additional costs for conservation and maintenance. While the Service can identify priority areas for development, Council funding is not currently available to meet these priorities.

Suitable external funders may be open to investing in Sandwell because of its low engagement with culture. But before investing in capital development, funders will need to see evidence of progress, a compelling 'change of story', and a strategic long-term plan for museums that meets their priorities. These factors are not yet in place. Another likely dampening factor on external investment is that there is little evidence of unmet demand in the Borough, and indeed there appears to be a picture of supply outstripping demand (see Section 5).

Sandwell Museums appears to be at an impasse – there is little appetite for disposal of assets and the legal, political and community challenges that would ensue, and yet there is not sufficient resource to make the buildings perform strongly. In the context of this stasis, the small audience is only likely to get smaller.

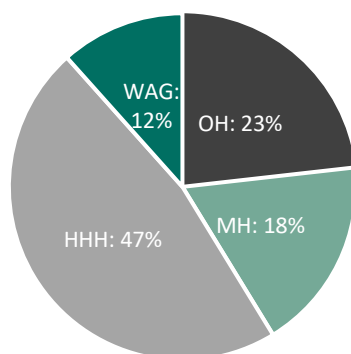


## 5. VISITOR MARKETPLACE

The sites managed by Sandwell Museums and Arts receive around 70,000 visits per year. Most visits are focused on the four main museum sites: Oak House, Manor House, Wednesbury Art Gallery and Haden Hill House. Day-to-day footfall at the Arts Café by students and town centre shoppers accounts for around 20,000 of these visits<sup>4</sup>.

'Main Four' Sandwell sites	Average annual visits 2017 - 2019 <sup>5</sup>
Oak House	11,905
Manor House	9,252
Haden Hill House	24,175
Wednesbury Art Gallery	5,952

In 2019/20, there were 50,251 visits made in total to the main sites. Haden Hill House hosts nearly 50% of all visits.



<sup>4</sup> Draft Culture Business Plan, SMBC, Nov 2020

<sup>5</sup> *ibid*

Opening hours at the four main museum sites has reduced by 8% over the last five years. Visit numbers have reduced at a corresponding rate since 2016, as shown in the table below. WAG visit numbers have also been affected by flooding and closure.

Museum sites	16/17	17/18	18/19	19/20	% change (2016-20)
Oak House	12,808	11,189	11,718	11,863	-7%
Manor House	9,464	11,336	6,957	8,807	-7%
Haden Hill House	25,999	22,673	23,852	23,945	-8%
Wednesbury Art Gallery	7,217	6,398	4,242	4,637	-36%

Repeat visits tend to be high for all Sandwell sites, although Oak House is more able to attract a larger proportion of first-time visits<sup>6</sup>.

Museum sites	First time visits	Repeat visits
Oak House	49%	51%
Haden Hill House	20%	80%
Wednesbury Art Gallery	34%	66%

The large number of repeats at Haden Hill House may be linked to the open space on site and regular exercise by visitors.

Using surveyed frequency profile as a guide, we can arrive at an estimate for numbers of *visitors* at each museum site, as opposed to

<sup>6</sup> Based on visitor research carried out by SMBC in 2016.

visits. This can only be an estimate, but it helps us understand the likely size of the user group at present.

Museum sites	Annual visits <sup>7</sup>	Annual visitors <sup>8</sup>
Oak House	12,808	7,901
Manor House	9,464	5,110 <sup>9</sup>
Haden Hill House	25,999	6,667
Wednesbury Art Gallery	7,217	3,373

Most visitors are from the immediate locality (between 50% and 75%)<sup>10</sup>. There is a very low cross-over (8%)<sup>11</sup> between sites. Research and front of house feedback tells us that the audience profile is characterised by:

- High numbers of families
- Visitors looking for provision for children
- Visitors motivated by chance to use outdoor spaces during good weather (Haden Hill Park and Oak House)
- Visits motivated by events
- Few visitors exploring local history
- Few tourists

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<sup>7</sup> Based on 2016 figures

<sup>8</sup> Revised estimate based on 2016 survey results

<sup>9</sup> As frequency data is unavailable for Manor House in a comparable year, this figure is an aggregate of those for Oak House and Wednesbury Art Gallery

<sup>10</sup> Cultural Services Museums Arts Strategy (Built Assets), 2020

<sup>11</sup> ibid

## 6. INCOME GENERATION & FUNDRAISING

6.1. The key feature of the income and expenditure picture at Sandwell Museums is the reliance on local authority revenue funding<sup>12</sup>.

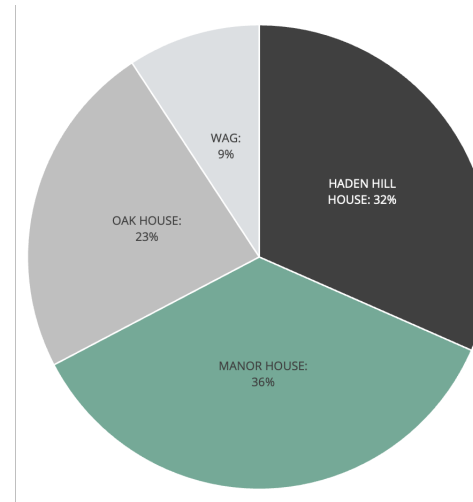
- 95% of the cost of the Museums and Arts Service is met by SMBC.
- 4.61% of the Service's income is earned from its visitors.
- A very small proportion of project funding (0.08%) comes from external sources.

6.2. While the Council has to meet almost the entire cost of the Museums Service, this burden is relatively light: total gross expenditure on the Service was just over £1m in 2019/20. In the average annual Council expenditure outlined in the Sandwell Plan, 0.15% is spent on museums and arts.

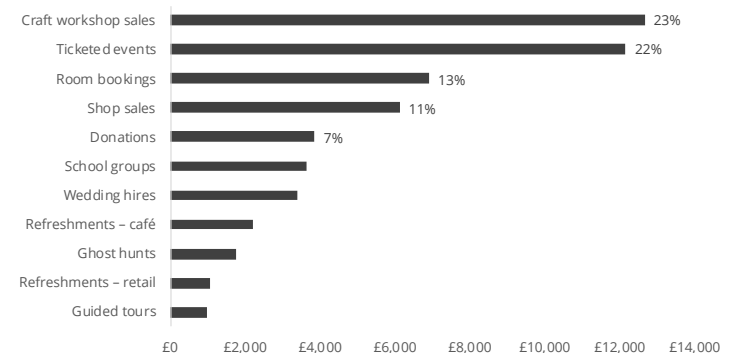
TYPICAL ANNUAL SMBC EXPENDITURE: SOURCE SANDWELL PLAN 2020-25		
	£m	%
Adult social care, health and wellbeing	238	36.23%
Council housing	134	20.40%
Children's services	102	15.53%
Neighbourhoods	89	13.55%
Running the Council	53	8.07%
Bins	27	4.11%
Public transport	13	1.98%
Museums and Arts	1	0.15%

<sup>12</sup> 2019/20 figures, Sandwell Museums & Arts

6.3. Based on figures for 2019/20 earned income at Haden Hill House and Manor House are fairly similar (around £18,500), with income at Oak House slightly smaller (£12,800) and Wednesbury Art Gallery producing the smallest earned income in that year (£5,000).



A breakdown of income sources shows the majority of earnings coming from ticket sales and bookings for special events.



6.4. Three guiding principles should influence how Sandwell Council approaches analysis of income and expenditure in the Museums Service.

6.4.1. Cuts to museum service expenditure could have a large impact on the quality of service, but a vanishingly small impact on overall Council costs. In our view, this approach would often lead to a net loss for the community.

6.4.2. Focusing on increasing earned income from visitors is unlikely to lead to significant gains because of the very low base. Even a demanding target here, for example a 20% increase, would only introduce around £10,000 of additional income. This can be compared, for instance, with the £46,000 recently awarded by Arts Council England as part of the Cultural Recovery Fund.

6.4.3. There is potential to attract larger sums of money from external investors with a heritage, museums and arts focus. Key features of Sandwell Museums' offer and audience reach are likely to be relevant to government agencies, funding bodies, Trusts and Foundations. There is potential to achieve close alignment between Sandwell's vision and these external organisations' agendas, and work in partnership for the benefit of the Sandwell community.

6.5. In order to be successful in external fundraising, the museum offer has to stimulate confidence among stakeholders, and this will often come through a process of engagement over several years. For example, Accreditation of museums is a necessary precondition for most Arts Council England funding and the Museums Service is

currently working with the West Midlands Museum Development Organisation on this process (Provisional Accreditation has been awarded during the development process).

## 7. SWOT ANALYSIS

### Strengths

The Museums and Arts Service has high potential for increased strategic impact for SMBC and has significant assets in its staff and buildings. Its community-oriented interface and heritage focus gives it unique value to SMBC. It has an existing focus on families with room to grow this area of work.

### Weaknesses

The Service is small, and its impact tends to be small scale. This, combined with ineffective messaging on impact, lowers its profile. Its buildings require extensive investment and re-thinking to deliver strongly. The Museums and Arts Service is wholly reliant on SMBC support.

### Opportunities

The Service shows potential for attracting external investment aligned with regeneration and place making, for work with the community and bringing families together. This may centre around capital works and the development of its buildings for mixed use.

### Threats

However, a precondition for this is evidencing best practice and 'changing the story'. This requires a united cultural sector, as shown in the Cultural Leaders Group and the implementation of the Cultural Prospectus action plan. A willingness to open up to new opportunities and work in partnership will be key. Museums Accreditation is also a necessary step.

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Good alignment with Vision 2030</li> <li>• Good alignment with agendas of external funders</li> <li>• Skilled staff team</li> <li>• Heritage buildings and safe, calm environments</li> <li>• Unique interface with the community for SMBC</li> <li>• Strong track record in community participation</li> <li>• Key strength in family market</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Poor messaging on contribution to Vision 2030</li> <li>• Relatively small impacts for Vision 2030</li> <li>• Buildings require repair and development</li> <li>• Heavy reliance on SMBC funding</li> <li>• Museums working towards Accreditation</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Buildings may allow flexible use</li> <li>• Sandwell is a high priority for external investment in culture</li> <li>• Participatory community work increasingly attracts external funding</li> <li>• Potentially good match for regeneration projects</li> <li>• Sandwell Tourism, Culture and Leisure successfully making external partnerships and attracting funding</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Negative perceptions of museums</li> <li>• Competition for scarce resources locally has historically led to defensive behaviours</li> <li>• Low levels of disposable income in visitor marketplace</li> <li>• Relatively weak tourist offer</li> <li>• Evaluation resources allow insufficient measurement of impact</li> </ul>

## 8. EXTERNAL INVESTMENT

The publication of the Sandwell Cultural Prospectus in 2020 has provided a shared development agenda for cultural organisations working in Sandwell, in partnership with SMBC.

An early action proceeding from the Cultural Prospectus was the formation of a Cultural Leaders Group, involving key organisations from across the Borough, focussing initially on the opportunities presented by the 2022 Commonwealth Games.

Sandwell Council has secured one of the Games' *Live Sites* for the Sandwell Valley Country Park and is working with the Cultural Leaders Group on a cultural programme for 2022. The Tourism, Culture and Leisure Service has levered additional funding for a website and digital marketing to support this work. The showground site at Sandwell Valley is already in use for 2021, during the *Made* dance music festival which is using the location for the first time.

Over the same period, SMBC has pursued ambitious regeneration plans, and was awarded the largest amount of any local authority area as part of the Government's Towns Fund in the March 2021 Budget. Rowley Regis was allocated £19m, Smethwick £23.5m and West Bromwich £25m. Within the West Bromwich scheme is a culture-led regeneration element, focusing on the Town Hall Quarter. A £6.6m award will help create a new extension for the Town Hall and integration with the adjacent library. The scheme aims for a new culture and entertainment offer in the town centre.

In Wednesbury, a Heritage Action Zone has been established, with £1.8m funding secured from Heritage England for a £3.6m programme of building renovation, public realm improvements, staffing and a cultural programme devised by Multistory. The scheme will be delivered over the next four years.

Arts Council England has also recently made an additional investment in Sandwell's cultural sector. £46,000 has been awarded to SMBC from the Cultural Recovery Fund (HM Government/Arts Council) for the *Inside Out* project which will see the new Sandwell Events team working with the Museums and Arts Service.

These are examples of partnership working and place-making initiatives attracting external investment for projects that are entirely in line with Sandwell Council's corporate ambitions.

The Museums and Arts Service can be more closely involved with this kind of work in the future, with associated benefits to scale of operation and profile.

## 9. DELIVERY MODEL OPTIONS

We review here several options for delivery models which Sandwell Council could potentially explore for the Museums and Arts Service. These options include:

- 'In-house' Service within the Local Authority
- 'In-house' and merge with the Library Service
- 'In-house' at heart of culture-led regeneration
- Regional joint working agreement
- Local Authority trading company
- Charitable Trust

Each option is presented below in general terms, with reference to existing models elsewhere. Our reflection on advantages and disadvantages are also in general terms, without the specificity of a Sandwell Museums feasibility study or detailed options appraisal. They refer to advantages of the model in general terms, rather than to the specifics of Sandwell's situation.

### 7.1. 'In-house' Service within the Local Authority

Many local authorities run their museum and arts provision as a Council service, managed within a specific Directorate. This is the approach currently employed at Sandwell MBC and would require no further changes in the delivery model.

#### Advantages:

- Full control over Service and use of buildings
- Can be used strategically to further corporate goals
- Lends itself to top-down integration with other services
- Benefits of Service are clearly associated with the Council
- Direct approach to performance measurement

#### Disadvantages:

- Unable to access all external funding
- Unable to access tax advantages enjoyed by charities
- Direct costs of non-statutory service are borne by Council
- Identity in the marketplace can be overshadowed by Council brand
- Business decisions subject to political influence

### 7.2. 'In-house' and merge with the library service

The library service is the 'big sister' of the museums and arts service in Sandwell, with a shared focus on improving quality of life in the community, but a larger operating cost, number of sites and staff team. It is a statutory service, in contrast to the non-statutory museums and arts service. As noted in the brief for this work, there are "potential discussions around the future redesign of Sandwell's Library and Archive Service" which run alongside this review.

One reference point in these discussions may be the current development of museums and library services in Preston, centred on the Harris Art Gallery. Here, library and museum/gallery delivery points have been combined in one heritage building, backed by significant investment from NLHF, Arts Council England, local trusts, legacies, and public fundraising. The £11m refurbishment was given the go-ahead by Preston City Council in December 2020.

Advantages:

- Integration is relatively simple to achieve
- Potential efficiencies and savings
- Libraries and museums have similar strategic objectives
- Close relation of libraries and museums will affect market positioning and perceptions of both (this may be positive *or* negative)

Disadvantages:

- As at 7.1.

### 7.3. 'In-house' at heart of culture-led regeneration

Several UK local authorities have sought to emulate the gains made in cities such as Newcastle/Gateshead, Liverpool, and Hull where cultural provision has been made the centre of regeneration projects. Approaches tend to be built around a cultural strategy which links a cultural quarter or cultural identity to town centre regeneration and community engagement.

One example of this currently in train is at Kirklees Council, where the recent closure (2016) of two of its six museum and gallery sites was

offset by a commitment by the Council to make culture part of the USP of the Huddersfield town centre, set out in a masterplan in which a cultural quarter featured prominently.

This has enabled the Council to change the story about the District, focussing on growth and partnerships, and to successfully find external funding for the project.

Advantages:

- Clear step-change tends to encourage external investment
- Easy to understand rationale and clear message

Disadvantages:

- Supporters of asset-based regeneration often critical of this approach
- Tends to be associated with one political bloc
- Any return on investment will be delivered over the long term
- Necessitates significant capital investment

### 7.4. Regional joint working agreement

The national Creative People and Places programme, running since 2012, has been built on consortium working, most often bringing together cultural organisations, voluntary sector organisations, and local authorities.

Consortia have tended to be headed by a lead organisation that manages the initiative in pursuit of shared objectives and receives external funding. Governance is often defined within a joint working



agreement, which sets out desired impact, a plan of activity, and the terms of the partnership. Sandwell's local CPP is *Creative Black Country*.

Using an existing consortium model or one of its own devising, museums can work with other partner organisations and increase the size of their cultural footprint, tapping into other networks and finding a new agenda.

Advantages:

- Local authority can retain control of Service whilst tapping into potential skill sharing and efficiencies
- Partnership agreement can have no legal status and be easy to set up and dismantle
- Increases size of impact and profile in cultural sector

Disadvantages:

- No material changes in governance of Service
- In essence, could be seen as just a shared project

### 7.5. Local Authority Trading Company

A Local Authority Trading Company (LATC) is wholly owned by its parent Council, with a Council-appointed Board of Trustees. It may be formed in order to give the management group more autonomy in its decision-making, making it more agile and responsive to demand in the community. However, it is essentially focused on delivering local authority mission (with at least 80% of its activity with its parent Council<sup>13</sup>) and each LATC will have a Service Level Agreement with the

local authority. Staff and facilities are transferred direct to the new LATC.

Although a LATC is able to be more commercially responsive and able to trade more freely, this remains dependent on the level of demand and disposable income in the local marketplace.

Hull Culture and Leisure is an example of a local authority service that successfully made the transition to an LATC in 2015.

Advantages:

- Easier to set up than Trust
- Same conditions for staff
- Potential economies of scale
- Opportunity to rebrand and reposition in the marketplace
- Some fiscal advantages
- Potentially more able to access external fundraising

Disadvantages:

- More complicated to initiate than remaining in house
- Set up costs
- Financial risk remains with the Council and level of revenue support is unlikely to change significantly in the short term
- Built-in constraint on management autonomy
- Some limits on fundraising

<sup>13</sup> DCMS, Alternative Delivery Models (Libraries), March 2017

## 7.6. Charitable Trust

Leisure and Cultural Trusts provide around half of the UK's leisure service provision<sup>14</sup>. They have independent Boards of Trustees and reinvest all profits into provision of service.

Although many leisure trusts are focused on sporting and leisure facilities, there are several examples of Trusts centred on museums and arts, including Culture Coventry, and York Museums Trust.

A Trust is most likely to succeed where there is a large and viable marketplace for its services, which can significantly lessen the financial burden on the local authority. However, most cultural trusts continue to require significant grant support from the local Council.

### Advantages:

- Autonomous decision-making increases responsiveness
- Full access to external fundraising
- Potential tax advantages
- Can be part of a strategic partnership with the Council

### Disadvantages

- Relies on a sufficiently large and engaged marketplace
- Significant work required in set up
- Employee anxiety over transfer
- Less control over outcomes for local authority
- Culture change is a political and management challenge
- Revenue funding by Council may remain high

## 7.7. General observations

A full financial appraisal is identified as an output for the next stage of business planning. At this stage our general observations on these options are as follows:

- The capacity of Sandwell's facilities is small, levels of cultural engagement are low, and levels of disposable income are also low. All these factors suggest that earned income is unlikely to be a significant factor in a business model, and that a diverse range of external revenue funding is essential, supplementing a significant level of support from the Local Authority.
- The levels of cultural engagement and disposable income in the marketplace would also throw the viability of a Charitable Trust into question, and may necessitate a continuing high level of investment in a LATC.
- Priority areas for development in the Service are the ability to attract external investment, and linked to this, the ability to signal a step-change in direction at the Service and 'change the story'. A change in operating model may help with this signal. However, it is possible for the Service to address these priorities with no change to the operating model.

<sup>14</sup> Community Leisure UK, August 2020

## 9. CONCLUSIONS

9.1. Purpose and value at Sandwell Museums and Arts suffer from a lack of focus and are understated. But among staff there is a clear sense of what the museums want to achieve, and this aligns strongly with Vision 2030. The purpose of the Museums and Arts service is to use its unique relationship with people to achieve Vision 2030. Its particular value is in the following:

- Museums bring Sandwell people together
- They give depth to sense of place
- They build local pride
- They improve quality of life
- They enable participatory, community based work

9.2. At this point in time, the key challenge for the Service is to develop a direction for future growth. This may affect the focus of the museums Service's work, the way it approaches income streams, and the delivery model for its services.

9.3. Priority areas for development in the Service are the ability to attract external investment, and linked to this, the ability to signal a step-change in direction at the Service and 'change the story'.

9.4. The highest potential for significant additional income lies in partnerships with external funding bodies, Trusts and Foundations. A

critical analysis of income generation activity in the Museums and Arts service highlights the dependence on Council funding, and the low potential for earned income generation from visitors. Sandwell Museums' marketplace is characterised by low engagement with heritage and arts, and low disposable income. While this is a negative influence on earned income generation, it is a positive factor when we consider the potential for external funding.

9.5. Recent key successes in external funding awards have benefited from an alignment of heritage and culture with place-making and regeneration. Substantial awards for capital improvements are supported by proposals for cultural programming. All successful recent initiatives have been based on partnership working. An outward-facing, partnership-oriented approach is essential to attracting external investment. This may include sharing posts with external organisations or allied departments within the Council. The key ingredient for success would be shared objectives.

9.6. 'Changing the story' may be best achieved by focussing messaging on a clear vision for museums such as 'we bring families together'. There is a belief that this is an area of strength for the Service, but most of the evidence is anecdotal. It would be beneficial to enhance the focus on families, and to gather robust evidence on the impact of this work over an extended time period. This evidence base would give weight to the Service's expertise in this area and help lever in additional funding.

9.7. The Service may also need to show a step-change through capital development or a change in governance model. But any alteration in

delivery model should be made on the basis of financial efficiencies, or other benefits to the community. Detailed feasibility is required for any of the preferred models being taken forward.

9.8. The available market research suggests a fundamental picture of over-supply and lack of demand. The marketplace shows little potential in the short to medium term for a stimulation of demand. In pure economic terms, there appears to be an argument for reducing or concentrating supply. However, there is no strong desire to move buildings out of the portfolio, and they remain strong signifiers of local pride. Schemes that re-purpose buildings and promote mixed use, with varying quantities of heritage interpretation content, feel appropriate to this situation.

9.9. The museums service needs heritage spaces, but it also needs appropriate facilities, appropriate staffing, sufficient operational budgets, and invigorating partnerships, to provide the high quality the staff want to deliver. While resources are spread so thinly over several sites, this is hard to achieve.

9.10. The Service has developed an understanding of its community by focusing on building relationships locally and providing appropriate content for local residents. This dedication to community can be preserved while also opening up to external partnerships, collaborations and new perspectives. An outward-looking dynamic may help the Service re-position itself with stakeholders, and start to build a case for external investment.