

Executive Board – 19 September 2023

Subject:	Expenditure of Arts Council England National Portfolio Organisation grant award for the Nottingham City Museum Service 2023-2026.
Corporate Director(s)/Director(s):	Colin Parr, Corporate Director for Communities, Environment and Residents Services
Portfolio Holder(s):	Councillor Pavlos Kotsonis, Portfolio Holder for Leisure and Culture.
Report author and contact details:	Rachael Evans, Museums Development Manager
Other colleagues who have provided input:	Nigel Hawkins, Head of Culture and Libraries, Ron Inglis, Chief Operating Officer, Museums Maria Balchin, Senior Commercial Business Partner (Communities, Environment & Resident Services Directorate).
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
Total value of the decision:	£1,424,325
Wards affected:	All
Date of consultation with Portfolio Holder(s):	25 th May 2023
Relevant Council Plan Key Outcome:	
Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Living Well in our Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Proposals are being made to:	
Spend against Arts Council England (ACE) National Portfolio Organisation (NPO) secured grant 2023-2026 totalling £1,424,325. The grant will be awarded over the next three years to deliver the Museum Service business plan to include the ACE National Portfolio Organisation programme.	
The ACE funding is applied to the core work of the service in delivery of the aims of the City Council priorities and the Museum Service is eligible for revenue support under the National Portfolio Programme of ACE for delivery of a range of activity which meets the criteria of their <i>Let's Create</i> strategy.	

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

1 To delegate authority to the Director of Sports & Culture to accept grant awards totalling £1,424,325 for activities up to and including financial years 2025-2026.

2 To approve the above expenditure against the Nottingham City Museum ACE NPO Business Plan 2023-2026.

3 To delegate authority to the Director of Sports & Culture to enter into contracts required to deliver the programme.

4 To approve the replenishment from donations, maintenance reserves, and use of earmarked reserves to deliver the programme in order to lever in external grant funding.

1. Reasons for recommendations

- 1.1 Nottingham City Museums Service has been in receipt of ACE NPO grants to support delivery of the core service since 2018. The ACE NPO grant award 2023-2026 is a continuation of the same funding stream.
- 1.2 The ACE NPO grant enables the Service to deliver its core operations including salaries for complementary activities as outlined in the Appendix. 73% of the grant is used on salaries to deliver the business plan whilst the remainder is used to lever in additional grants, necessary for programme delivery, as permitted in the grant conditions. Any new projects would be subject to approval as necessary, for example for any improvement / capital related projects.
- 1.3 The funding has already been secured to deliver the three-year NPO programme. Without it the Service would need to make savings of £474,775 per year.

2. Background (including outcomes of consultation)

- 2.1 Funding Continuation: Nottingham City Museums' Service has been in receipt of annual grant funding from the DCMS since 2004 when Renaissance in the Regions was launched as a national initiative to support driving forward ambition and quality in regional museums. Over the last two decades the grant has been a regular source of income in various guises from 'Renaissance in the Regions' funds, 'Strategic Funds' to 'Major Partner

Museums' funding and more recently 'National Portfolio Organisation' funding. Managed over the years by the Museums, Libraries and Archives Council which was then passed to ACE in 2012.

- 2.2 National Portfolio Organisation: In 2018 the Museum Service was awarded National Portfolio Organisation status by Arts Council England. Since then, by achieving the targets set by the Service, supporting the delivery of ACE key outcomes, the Service continues to be a National Portfolio Organisation and has secured further grant funding for 2023-2026 of £1,424,325 to deliver the Museum Service business plan including the Wollaton Hall repair programme as an example of best practice and leadership in the sector and other items, such as the proposed year-long Byron 200 bicentenary programme at Newstead Abbey.
 - 2.3 Oversight Board: In 2023 an Oversight Board was set up to act as a scrutiny panel for developments across the NPO Business Plan 2023-2026. The Board will meet quarterly and minutes from the meetings will be reported to ACE as part of the ongoing payment conditions of the NPO grant. Members of the Oversight Board include Head of Culture and Libraries (Chair), Portfolio Holder for Leisure, Culture and Planning, Head of Libraries and Equality and Diversity Lead.
 - 2.4 Nottingham Castle: The former Nottingham Castle Trust was not included within the National Portfolio Programme and so none of the current funding supports activity or outputs linked to the Castle itself. Due to the timing of a three-yearly application round, it was not possible to include the Castle within the scope of the Museum Service funded activity. The Castle has now reopened as part of the City Council Museum Service and it is therefore proposed that programmed activity at the site meets the aspirations of the Let's Create strategy, to ensure its eligibility for inclusion within the next funding round [2026 onwards].
 - 2.5 Risk: The Service business plan is monitored quarterly to ensure targets are met and risks are mitigated.
3. **Other options considered in making recommendations**
 - 3.1 The principal alternative option would be to do nothing. This will impact predominantly staffing as the Service will need to make savings of £474,775 per year.
4. **Consideration of Risk**
 - 4.1 **City Council Financial Recovery impeded:** The City Council has recently experienced very severe financial pressure as a result of the double impact of the failure of Robin Hood Energy and the additional impact of COVID. A recovery plan has been developed in consultation with Central Government, but it is possible that destabilisation could occur if unsuccessful. Then financial destabilisation of all services would result, possibly leading to immediate freeze of all non-statutory expenditure, suspension of non-statutory services or, as a worst-case scenario, the complete discontinuation of all non-statutory activity. To mitigate this risk a four-year plan has been agreed in respect of a Medium Term Financial Plan in consultation with the appointed Improvement Board to allow stabilisation of all service provision, following introduction of the new constitution and governance arrangements. In addition, a range of risk control measures around capital finance

expenditure has been introduced to mitigate future risks. Progress is monitored on a monthly basis with quarterly reporting to central government.

- 4.2 **Escalating Fuel Costs as a Result of Global Geopolitical Instability:** Due to the recent energy crisis triggered by global instability in the international energy markets and conflict in Ukraine. The immediate effect has already been felt, with increased costs immediately felt at consumer level. The conflict and international response led to world economic instability and volatile energy costs to previously unprecedented levels, creating immediate budgetary pressures across the organisation. The overall causes are outside the control of the City Council or Museum Services, and intervention by central government, through fuel subsidies, eased the situation. It is likely that such intervention would take place in the event of any reoccurrence. To mitigate the risk the City Council and the Museum Service has done much to improve energy efficiency of our museum buildings in recent years, and this aspect of cost is closely monitored on a monthly basis. Further controls will be added, as appropriate, including a review of the heating and environmental control levels of galleries [consistent with GIS requirements], the winter heating of premises and vehicle use.
- 4.3 **Re-integration of Nottingham Castle within Service following the liquidation of Nottingham Castle Trust:** If key staff are redirected it means they are not available to support the agreed NPO Programme. Then the impact of workload will compromise the Service ability to deliver against the agreed NPO Programme for Wollaton Hall and Newstead Abbey. To mitigate this risk the Council has agreed a separate business plan for the Castle site with 47 (full-time) new posts recruited to increase Service capacity overall.
- 4.4 **Re-emergence of a new Strain of COVID that leads to Further Lockdown, Nationally or at Local Level:** The risk of further variants and the capacity for virus mutation exists which could lead to further measures being introduced at either national or local government level to control the spread or impact of the virus, should it prove virulent. Control measures could result in the closure of premises, or restrictions on activities, which would affect the ability of the Service to achieve its business plan activity or generate income. To mitigate risk national control measures, coupled with increased vaccination rates nationally, has reduced significantly the impact of further virus mutations, with scientific confidence in reduced impacts at population level.
- 4.5 **The ACE NPO 2023-2026 grant payment conditions are not met:** If the quarterly targets are not met, as agreed in the business plan then grant payments will not be released until such time as the conditions are met. To mitigate this risk a robust quarterly monitoring framework has been developed and the Museum Oversight Board has commenced to scrutinise programme delivery.
5. **Best Value Considerations, including consideration of Make or Buy where appropriate**
- 5.1 Best value considerations include the following:
- DIY- where appropriate skills are in-house, programmes will be designed and delivered internally.
 - BIY- contracts for goods, services, or works, will be awarded in compliance with NCC procurement rules and regulations.
 - BIWO- when delivering a partnership programme it will be considered if purchasing with others is the best option.

- DIWO- when delivering a partnership programme it will be a joint working arrangement for the most efficient delivery of that programme.
- DIFO – all programmes support business sustainability including increased primary and secondary spend.
- EO- where appropriate the service will engage partners and enable them to deliver programmes of work.
- REDUCE- programmes are phased and will be monitored to ensure they remain affordable and delivery outputs can be reduced if necessary.
- STOP – quarterly monitoring of targets enables the service to determine if a programme needs to stop due to affordability and inefficiencies.

6. **Finance colleague comments (including implications and value for money/VAT)**

- 6.1 This decision seeks approval to accept Arts Council England National Portfolio Organisation 2023-2026 grant totalling £1,424,325 over 3 financial years.
- 6.2 The grant has been awarded following submission of a detailed spending plan, and so the funds will need to be ring-fenced for spending on the activities agreed by Arts Council England. The grant conditions permit using this grant to lever in additional grants for activities that meet the ACE objectives.
- 6.3 This decision seeks approval to continue to seek donations from visitors and for these donations to be held in reserves to support projects, in particular where the Council is required to provide match funding. Transfers to and from reserves will be subject to the approval of the Section 151 officer in accordance with the Council's financial reserves policy. Any new projects would be subject to approval as necessary.
- 6.4 The Head of Service for Culture and Libraries will need to put measures in place to ensure compliance to each of the grant award conditions to avoid possible clawback of grant.

Maria Balchin, Senior Commercial Business Partner
 Thomas Straw, Senior Accountant (Capital Programmes)
 1/6/2023

7. **Legal colleague comments**

- 7.1 Contracts for goods, services, or works, must be awarded in compliance with Contract Procedure Rules and the Public Contracts Regulations 2015. The Procurement Team will continue to support the Museum Service to ensure appointments are made and/or contracts awarded compliantly.

Jonathan Whitmarsh, Lead Procurement Officer, Procurement & Contracting
 15/6/2023

8. **Other relevant comments**

- 8.1 See procurement comments above.

9. Crime and Disorder Implications (If Applicable)

9.1 Not applicable

10. Social value considerations (If Applicable)

10.1 Social value will be taken into consideration during the procurement process for contractors.

11. Regard to the NHS Constitution (If Applicable)

11.1 The Museum Service (buildings, collections and parks) plays an important role in connecting people and nature. There is clear evidence that contact with nature has positive effects on people's physical and mental health.

11.2 The NPO 2023-2026 programme will deliver projects that support visitors' contact with nature including the Wollaton Transformation Programme and PlayCreateGreen, a programme of holistic health & well-being activities engaging diverse audiences which includes the Green Social Prescribing Programme, promoting wellbeing through creative development, experience of nature and active participation.

11.3 Delivery of the NPO 2023-2026 plan will help support the Nottingham Health and Well-being strategy action plan.

12. Equality Impact Assessment (EIA)

12.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required at this stage. The Equalities and Diversity Team has a representative on the Oversight Board and there will be full consultation at each stage to ensure there is access for all.

Yes

13. Data Protection Impact Assessment (DPIA)

13.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because the programme will not be processing sensitive or personal data.

Yes

14. Carbon Impact Assessment (CIA)

14.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because the ACE NPO 2023 to 2026 programme monitoring includes quarterly reporting to Julies Bicycle, a non-profit

organisation that measures the environmental impact of cultural activity nationally. The quarterly statistics are also submitted to NCC

Yes

15. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

15.1 Appendix 1 - A summary of core work service delivery areas in line with the Arts Council England's 'Let's Create' strategy.

16. Published documents referred to in this report

16.1 None