

To: Communities Policy Overview Committee – 25 March 2009

By: Mike Hill, Cabinet Member, and Amanda Honey, Managing Director, Communities

Subject: Museum of Kent Life

Classification: Unrestricted

Summary: This report provides an update on the transfer of the Museum of Kent Life to a commercial operating company (Continuum).

Recommendation: Members are asked to note and comment on the information included in this paper

FOR INFORMATION & COMMENT

1. Introduction and context

1.1 Kent County Council (KCC) founded the Museum of Kent Life with Maidstone Borough Council (MBC) in 1983. In 1992 MBC withdrew support leaving KCC as sole operator of the museum. In 1993 KCC transferred the collection to the Museum of Kent Life Trust which was established to run the museum. KCC has provided an annual revenue grant to the Trust since its launch which currently stands at £61,500. The grant is governed by a three year Service Level Agreement which ends in March 2010.

1.2 The Museum of Kent Life Trust is an incorporated company limited by guarantee and is a registered charity. It is managed by a Board which fluctuates between 11 and 16 members. It is a requirement of the constitution that the Board must always include one Elected Member of KCC and a nominee of the Cobtree Charitable Trust.

1.3 The Accreditation of the Museum under the national Museums, Libraries and Archives Council (MLA) Scheme has been put on hold until April 2009 whilst changes in governance resulting from the partnership with Continuum are implemented.

1.4 The museum is set on a 461 acre estate along with a country park and a golf course. The museum tells the story of the people who lived and worked in the Garden of England over the past 150 years. The museum is also the setting for a number of buildings from around the county, which have been saved from destruction, rebuilt and restored as part of the museum display. (See Appendix 1 for details of the 2009 programme of events and admission charges.)

1.5 In financial year 2006/7 the museum entered a period of financial instability. KCC agreed to contribute a total revenue grant sum amounting to £151,500 and £111,500 in 2007/8. This was to enable the museum to remain solvent while it sought a long term solution to its problems. KCC also

provided financial advice, and a report on the museum was commissioned from a leading expert in museum governance, Adrian Babbidge, in January 2007. The report, 'Governance Review of the Museum of Kent Life' advised that the Trust should review its list of trustees and they subsequently invited new people to fill strategic posts and took further advice from Mr. Babbidge.

2. Transfer to Continuum and current position

2.1 KCC Cabinet Member for Communities Mike Hill commissioned a report to look at the running and marketing of the museum and this report recommended the possible transfer of the management and staff of the Museum to a commercial operating company. Subsequently, a stakeholders' meeting was organised at the museum in April 2007 to consider the funding needs of the museum and to seek input from agencies and organisations such as SEEDA. It was decided that the best option would be to explore the possibility of commercial involvement. This option was further developed by the Director of Community Cultural Services and contact made with Continuum Group Ltd., a private company.

2.2 Continuum Group Ltd manages 5 visitor attractions in the UK, including the Canterbury Tales, and also provide various services to the cultural sector including design and delivery of services to visitor attractions. They were invited to visit the Museum of Kent Life and subsequently entered into discussions with the museum throughout 2007/8 exploring options for a possible future working relationship. A new company called Continuum (Kent Life) Ltd was formed in 2008 to assume the management of the museum. Work to put in place new leases, which remove the restrictions on the land use of the site, has now been completed, and the transfer of management and staff to the new company was formerly announced at an official launch on the 13th November 2008.

2.3 The museum is currently being advised by KCC's Museum Development Manager and MLA's Museum Development Manager about the appointment of a Curatorial Advisor, better display of the collection and training for volunteers. The museum may seek additional advice in the future from KCC's Museum Development Manager, in keeping with the advisory role this post provides to independent museums in Kent.

2.4 The shared aim is to establish a secure financial bedrock both for survival and to allow the museum to develop its cultural aspirations. Continuum have a target to increase visitor figures by between 30 and 60%, particularly aiming to increase family visits and thus increase revenue. KCC revenue support will cease after 2009/2010. (See Appendix 1 for visitor figures.)

2.5 It has been necessary to revisit the leases for the Museum as part of the process for enabling the shift to Continuum management. The interlocking leases are complex and the position is set out below.

2.6 The Museum of Kent Life (MOKL) was granted a sub-lease by KCC in 1994. This sub-lease was created out of a lease granted by Maidstone

Borough Council with Cobtree Charity Trust Limited being a party to that lease. This lease to KCC was created out of a lease by the Cobtree Charity Trust Limited to Maidstone Borough Council dated 1971 and contained various covenants concerning use of the land subject to the Edna Mary Tyrwhitt-Drake's interest. In order to underlet the lease to the new trading company, Continuum (Kent) Limited, all three head leases were reviewed and the three organisations agreed to the change. Five sets of solicitors were involved in interpreting the wording of the existing leases and all issues were satisfactorily resolved with new agreements now in place with the trading element of MOKL passing to Continuum (Kent) Ltd.

3 Risk implications of the Continuum Partnership

3.1 The Continuum Partnership will run for 2 years with the parent Continuum Company agreeing to cover any additional financial revenue costs during this two year period. As indicated earlier in this report, Continuum has a sound track record in leisure services and management. Early discussions did take place around what would happen if financial circumstances external to the museum affected the running cost of MOKL and Continuum confirmed that the company would transfer additional funds to cover the cost by transferring funds from their more profitable venues. KCC will therefore have no further revenue obligations when the annual grant ends.

3.2 The partnership will be reviewed after 2 years. At this stage it is impossible to assess the likelihood of Continuum wishing to continue the partnership at the end of this initial period, this will depend on the commercial success of the operation during the 2 years and the market conditions applying at the time. If Continuum decides not to enter into a longer term arrangement at that time, the future of the museum would be uncertain. If this were to happen then the Trust would have to review its options and consider whether the museum was financially viable and could continue to operate. If the Trust decided to cease museum operation:

- Objects which were transferred to the museum when the Trust was established would be automatically offered back to KCC and MBC by the Trust as required by their Acquisition & Disposal Policy.
- KCC could offer to provide advice and guidance to the museum regarding dispersal of the remaining collections. Collections include both movable and static artefacts (e.g. buildings)
- KCC could offer to provide legal advice regarding winding down the Trust.

3.3 In the recent period with support from Continuum, the museum has improved the numbers of visitors and its financial bottom line. We are optimistic that this provides a good platform for the future success of the partnership.

4. Resource Implications

4.1 There are no revenue resource implications of the transfer for 2009/10 and we will continue to provide the annual grant of £61,500 to the Museum of Kent Life Trust. Thereafter we are envisaging that KCC revenue support would cease and the annual grant would be available as a saving in 2010/11 budget. As part of the agreement we are intending to give a grant of £100,000 towards essential capital improvements.

5. Recommendation

i) Members are asked to note and comment on the information included in this paper.

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