

**POLICY & RESOURCES  
(URGENCY) SUB-COMMITTEE  
VIRTUAL MEETING**

**Agenda Item 2**

Brighton & Hove City Council

<b>Subject:</b>	<b>Royal Pavilion and Museums – Extending the Transition Period into Trust</b>		
<b>Date of Meeting:</b>	<b>31<sup>st</sup> March 2020</b>		
<b>Report of:</b>	<b>Executive Director, Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Donna Chisholm</b>	<b>Tel: 01273 292571</b>
	<b>Email:</b>	<a href="mailto:donna.chisholm@brighton-hove.gov.uk">donna.chisholm@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

By reason of the special circumstances, and in accordance with section 100B(4)(b) of the 1972 Act, the Chair of the meeting has been consulted and is of the opinion that this item should be considered at the meeting as a matter of urgency for the following reason: given the rapid escalation of the situation with Coronavirus the Council needs to make a decision in relation to the transfer.

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the report had to be compiled at short notice having regard to national developments

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 On 5th December 2019 the Policy and Resources Committee agreed to transfer the Royal Pavilion and Museums (RPM) into a Trust. The purpose of moving the service to the Royal Pavilion and Museums Trust (RPM Trust) is to secure a sustainable, resilient and successful future for what are significant cultural assets in the city. This transfer was agreed for 1<sup>st</sup> April 2020. The museums service is unique and highly-regarded with delivery provided by a dedicated professional team who are key to its future success.
- 1.2 The coronavirus (Covid-19) pandemic has resulted in the closure of all theatres, museums and galleries across the UK for an unspecified period. The RPM closed to the public on 18<sup>th</sup> March 2020 for the foreseeable future.
- 1.3 In light of the closure of the RPM, and the uncertainty surrounding a date for reopening, the RPM Trust have requested that the council agrees to extend the period leading up to transfer for six months, to 1<sup>st</sup> October 2020. This means the RPM would remain with the council and funds to cover the cost of the closed service will require budget provision in 2020/21.
- 1.4 Furthermore, The RPM Trust have requested the option to extend the transition

period to 1<sup>st</sup> April 2021, if coronavirus (Covid-19) continues to act as a major constraint on the recovery of the visitor economy and in particular on the reopening of cultural assets such as museums. Trustees have emphasised their commitment to the transfer of the RPM to trust as soon as practically possible.

## **2. RECOMMENDATIONS:**

- 2.1 That members note that the impact of the coronavirus (Covid-19) pandemic has resulted in the closure of the Royal Pavilion & Museums until further notice;
- 2.2 That members agree to extend the transition period for the Royal Pavilion & Museums to move into Trust from 1<sup>st</sup> April to 1<sup>st</sup> October 2020, a period of six months.
- 2.3 That members note, in accordance with the decision of Policy & Resources Committee on 19<sup>th</sup> March 2020, the decisions above will be given effect to by the Executive Director for Economy, Environment & Culture.
- 2.4 That members note that a further extension of the move to Trust to 1<sup>st</sup> April 2021 may be necessary if coronavirus (Covid-19) continues to constrain the visitor economy to the extent that cultural assets are unable to reopen by 1<sup>st</sup> October 2020.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Policy & Resources Committee agreed at the meeting on 5<sup>th</sup> December 2019 to transfer the museums service to the RPM Trust on 1<sup>st</sup> April 2020. In addition, a number of other recommendations were approved to enable the transfer to take place including RPM Trust governance, finance/pensions, legal work, staffing and HR, property, ICT systems & information governance.
- 3.2 That report was very detailed and followed a series of previous reports on the transfer. Therefore, background information is not repeated in this report. These approvals remain in place.
- 3.3 Following the closure of the RPM on 18<sup>th</sup> March and the continued spread of the virus leading to a lockdown across the UK, Trustees requested a meeting with council officers on 24<sup>th</sup> March to discuss the transfer. Following this meeting, Michael Bedingfield, the chair of the Trust, wrote to the council requesting a new date for the transfer, with the option to extend further.
- 3.4 Within the proposed transition period there is more we can do to prepare for the best possible future for the RPM. Through a combination of self-isolation, illness and lockdown, some operational elements have not been completed by external parties, so there are still areas which would benefit from extra preparation time.
- 3.5 The Arts Council England (ACE) have confirmed (15<sup>th</sup> March) that their grant for 2020/21 of £700,000 will be honoured even if the RPM remains closed for a considerable period of time. This support is part of the ACE response to the virus for all National Portfolio Organisations, of which RPM is one. RPM staff will explore whether the emergency funds announced yesterday by ACE can be

drawn upon to support the RPM through the months of closure. Other funding opportunities will be explored as they emerge.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The council would be obliged to fully assist with the costs of running the RPM during this unprecedented closure regardless of whether the assets were within the council or placed in trust. This is because it is unlikely that the newly formed trust could financially support the RPM when is not generating any income over a prolonged period.
- 4.2 Should the RPM reopen before 1<sup>st</sup> October, all income generated would be retained by the Council. The council will not be required to provide a grant to the trust for the six months of 2020/21 that the RPM remains in the Council.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The RPM Trust have been fully consulted on this report.
- 5.2 Engagement regarding the proposed extension of the transition has taken place with the Trade Unions. All staff have received a communication regarding the proposals contained within this report.

#### **6. CONCLUSION**

- 6.1 The rapid spread of Coronavirus (Covid-19) which led to the closure of the RPM on 18<sup>th</sup> March is unprecedented. This has resulted in the RPM Trust requesting an extended period of transition for the service to move into trust.
- 6.2 The chair of the RPM Trust has written to the council requesting that the transfer date is moved to 1<sup>st</sup> October 2020. This allows for the virus to subside and for the visitor economy to recover sufficiently to create better conditions for the transfer and the trust to succeed. This is considered to be the best course of action by officers.
- 6.3 Should conditions not improve, or there is a second outbreak of the virus, the RPM Trust have requested the option to extend further to 1<sup>st</sup> April 2021. Given the unclear situation with regards to the likelihood of the virus recurring, this is considered by officers to be a reasonable request.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The closure of the RPM will have an adverse financial impact on the council mainly due to a loss of visitor income. The potential financial impact of closure will be regularly review and reported as part of the budget monitoring process. As mentioned in the main body of the report, ACE have confirmed that their grant for 2020/21 will be honoured and additional external funding opportunities are being explored to support the RPM through potential months of closure.

- 7.2 It has been assessed that the closure of the RPM would significantly impact the financial model of the RPM Trust, and it is unlikely that it could financially support the service during a prolonged period of closure without additional financial support from the council.
- 7.3 The report to Policy and Resources Committee on 5th December 2019 approved the indicative service fee payable to the RPM Trust. The financial model for the RPM Trust will be reassessed to take account of the proposed extension and appropriate approvals will be sought for any required changes to the service fee.

*Finance Officer Consulted: Steven Bedford*

*Date: 27/03/20*

Legal Implications:

- 7.4 A number of legal documents were approved by Policy & Resources on 5<sup>th</sup> December 2019. They will be executed in order to affect the transfer. The legal implications of the transfer have been set out in previous reports.

*Lawyer Consulted:*

*Alice Rowland*

*Date: 27/3/20*

Equalities Implications:

- 7.5 An Equalities Impact Assessment of the service was provided as an appendix to the report considered by P& R Committee on 5<sup>th</sup> December 2019.

Sustainability Implications:

- 7.6 The focus of this report is the sustainability of the RPM Trust in the short term.

Brexit Implications:

- 7.7 None directly

Risk and Opportunity Management Implications:

- 7.6 There would be significant risk associated with the transfer of the RPM on 1<sup>st</sup> April 2020, given the service is not generating any income. RPM employs 190 people and their jobs may have been in jeopardy. The option to remain in the council protects the assets and the newly formed trust during this uncertain time.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Background Documents**

1. Report to Policy & Resources Committee dated 5<sup>th</sup> December 2019.