



**Author/Lead Officer of Report:**  
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(Culture)

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**Report of:** *Mick Crofts, Interim Director of Place*

**Report to:** *Cabinet*

**Date of Decision:** *17 February 2021*

**Subject:** *New Museums Trust for Sheffield*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? <b>Culture, Parks and Leisure</b>				
Which Scrutiny and Policy Development Committee does this relate to?				
<b>Economic and Environmental Wellbeing</b>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 878				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

**Purpose of Report:**

The purpose of this report is to seek approval for Sheffield Industrial Museums Trust and Museums Sheffield to merge into one unified Sheffield Museums Trust from April 2021 as further detailed in this report. While both Trusts are independent organisations (with Sheffield City Council representation on their Boards), Sheffield City Council has significant interests in the new Trust. Sheffield City Council also hold a number of agreements with the two trusts.

Therefore, formal endorsement by Cabinet is sought for the creation of the new Sheffield Museums Trust.

**Recommendations:****It is recommended that Cabinet:**

- Endorse and welcome the creation of Sheffield Museums Trust.
- Fulfil its duties as Trustees of the Weston Park Charitable Trust which includes agreeing to grant a licence to assign.
- Approves the licence to assign for all other properties as detailed in this report.
- Notes and agrees in principle the proposed novations of other contracts between the parties, the Tenancy at Will for Graves Gallery and the licence to occupy for Shepherd Wheel.
- Delegates authority to the Director of Culture and Environment, in consultation with the Director of Legal Services to enter into the novations, Tenancy at Will for Graves Gallery and the licence to occupy for Shepherd Wheel.
- Notes and agrees in principle the proposed arrangements for the transfer of the funding and services agreement.
- Delegates authority to the Director of Culture and Environment, in consultation with the Director of Legal Services approval to enter into the new contract for services.
- Agrees for the loan to be discharged which is secured against the Simplex Car and for an agreement to be entered in to in relation to the car as further detailed in this report.
- Notes the work being undertaken on Lifecycle Costs as further detailed in this report.
- Agrees to the assignment, transfer and grant of lease and other occupancy rights as further detailed in this report.
- To the extent not already delegated to them by the Leader's Scheme of Delegation, delegates authority to the Director of Culture and Environment, in consultation with the Director of Legal Services and the Director of Finance and Commercial Services, to take any other decisions necessary in order to meet the aims and objectives of the report.

**Background Papers:**

**Sheffield Museums Trust Business Plan (non-confidential)**

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Chris Nicholson/Janinne Scarborough</i>
	Legal: <i>David Hollis / Gemma Day / David Williams</i>
	Equalities: <i>Annemarie Johnston</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> <i>Mick Crofts</i>
3	<b>Cabinet Member consulted:</b> <i>Cllr Mary Lea</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	<b>Lead Officer Name:</b> <i>Rebecca Maddox</i>
	<b>Job Title:</b> <i>Head of Business Development (Culture)</i>
	<b>Date:</b> <i>08/02/21</i>

## 1. PROPOSAL

- 1.1 During the 1990's City Council (the "Council") set up **Museums Sheffield** (Millennium Gallery, Weston Park Museum and Graves Gallery) and **Sheffield Industrial Museums Trust** ("SIMT") (Kelham Island Museum, Abbeydale Industrial Hamlet and Shepherd Wheel) as independent Charitable Trusts to take over the running of the city's industrial and non-industrial museums and galleries.
- 1.2 Both Trusts manage the City Collections – the artefacts that represent the human and natural history of Sheffield that the Council owns on behalf of the people of Sheffield and has a statutory responsibility to preserve. For this reason, the Council provides financial support to both trusts.
- 1.3 Both organisations were originally set up as an efficiency measure. This model has had advantages in allowing both to operate flexibly, to source alternative grant funding and to generate earned income from retail, hospitality and events, sponsorship and individual giving. SIMT has historically charged admission fees, but it is the new Trust's intention to extend free admission across all sites as soon as is practicable.
- 1.4 Pre-Covid, around 55% of Museum Sheffield and SIMT funding has come from non-Council sources and both trusts have been successful in securing project funding from a wide range of sources. Museums Sheffield is an Arts Council England (ACE) National Portfolio Organisation and as such is in receipt of regular funding that has benefitted both trusts 2018-2023.
- 1.5 Over recent years, both Trusts have managed decreasing levels of funding from the Council, slightly mitigated by a 4-year funding package which has allowed forward planning. In line with Arts Council funding timescales, it is proposed to maintain currently-agreed levels of funding for the first two years of the new Trust: (SIMT £387,200 and Museums Sheffield £1,354,000) - £1,741,200 per annum in total, subject to approval at the Council's annual budget setting meeting. In autumn 2021, the new Trust will bid for further Arts Council funding for the period 2023-2026. SCC support for this submission will be vitally important.
- 1.6 Both Trusts have responded resourcefully to the Covid crisis, utilising furlough, business support grants and Culture Recovery Funding to remain viable, avoid compulsory redundancies and mitigate lost earned income. Both reopened in August and closed again during the November lockdown. They will reopen when Government guidance permits.
- 1.7 Since 2017, both Trusts have been in discussion about joining forces and ending the artificial distinction between Sheffield's industrial and non-industrial collections. A joint Arts Council grant over the past 2 years has enabled the two organisations to work together more closely. A joint working group drawn from both Boards and senior managements has been developing plans since 2019 and both Boards approved the creation of the new joint Trust in May 2020.
- 1.8 The intention is for SIMT and Museums Sheffield to merge into one unified

Sheffield Museums Trust from April 2021. Both Trust Boards are committed to the formation of the new Trust, which will bring together Sheffield's industrial and non-industrial collections to create a stronger, more resilient organisation, building on the strengths of each, to the benefit of Sheffield people and visitors.

- 1.9 The Due Diligence process has not identified any major issues, and the new Trust is considered viable and beneficial.
- 1.10 While both Trusts are independent organisations (with Council representation on their Boards), the Council has significant interests in the new Trust:
- the Council owns the freehold of the sites affected: Millennium Gallery, Kelham Island Museum, Weston Park Museum, Abbeydale Industrial Hamlet, Graves Gallery and Shepherd Wheel (plus a storage facility).
  - The new Trust will take on responsibility for the City Collections, which are the objects, artefacts and art works owned by the Council on behalf of the people of Sheffield.
  - To enable the collections to be cared for, interpreted and made accessible to Sheffield people, the Council provides a service charge by way of an annual grant of around 45% of the running costs of the museums.
  - Cabinet also act as trustees of the Weston Park Charitable Trust.
- 1.11 Therefore, formal endorsement by Cabinet is sought for the creation of the new Sheffield Museums Trust and to agree to amendments to the current agreement between the parties.
- 1.12 Council officers, Council Board Appointees and the Cabinet Member for Culture, Parks and Leisure have been closely involved in these discussions and in the due diligence process for a new united Museums Trust. The new united trust will be known as **Sheffield Museums Trust (SMT)**.
- 1.13 A three-year Business Plan for the new organisation has been produced, and a non-confidential edition is available as an appendix.

1.14 **Charitable Objects of Sheffield Museums Trust (SMT)**

As a charitable Trust SMT has clearly defined charitable objectives that govern their purpose, underpin their mission and vision and are translated into considered, actionable ambitions with defined outcomes:

1. The preservation, protection, restoration, improvement, enhancement and maintenance of items and features of artistic, scientific, historical and industrial interest for the public benefit.
2. The advancement of and support for education and learning for the benefit of the public, particularly the people and communities of Sheffield and its surrounding region, and especially in the fields of social and industrial history, science and engineering, design, technology, visual art, craft and natural science through:
  - a) the care, management, display and development of collections that span human and natural history which will promote the objects of the SMT including:
    - I. the collections of the Sheffield City Council;

- II. the arts collection of the Mappin Trust;
  - III. the collection of the Guild of St George;
  - IV. the collection of the Ken Hawley Collections Trust; and
  - V. collections of any other person or body to the extent consistent with the objects of the SMT;
- b) the development and production of museum and gallery experiences on site, online and in community settings (including events, displays and exhibitions) to inspire curiosity, creativity, enjoyment and learning in people of all ages to understand the history of and future for Sheffield and its surrounding region in terms of its people, culture, diversity, creativity, artistic, scientific and industrial development;
  - c) the organisation of meetings, exhibitions, lectures, publications and other forms of education relevant to the historical and industrial development of Sheffield and its surrounding region;
  - d) the organisation of meetings, exhibitions, lectures, publications and other forms of education relevant to the public understanding of science engineering technology and design as applicable to the present day and to the future; and
  - e) the aid, establishment, funding, or sponsorship of bursaries, scholarships or grants to any person or persons, institution, association or corporate body for the purpose of furthering the objects of the SMT.
  - f) Such other charitable objects beneficial to local communities as the SMT shall from time to time determine.

#### 1.15 **Governance of Sheffield Museums Trust**

SMT will be governed by an engaged, active and unpaid Board of Trustees including;

- i. A nominee from the Victoria & Albert Museum. A V&A Trustee has been part of the Museums Sheffield Board since its inception and has proved invaluable from a programming and collections development perspective as well as offering a national strategic connection. It is recommended that this role continue to SMT.
- ii. Two Councillors nominated by Sheffield City Council
- iii. 11 Trustees recruited through a transparent process.

The Board will appoint one person to Chair the organisation and another to act as Deputy Chair. Trustees serve three, three-year terms and are recruited with reference to a skills matrix.

Trustees are appointed by a Nominations Committee led by the Chair. The Committee refer to a skills audit of current Trustees alongside key dates for rotation; advocating for the charity and conducting a transparent search to recruit potential trustees on an annual basis. Potential Trustees are invited to

observe committees and to drop-in to events and team meetings to learn more about our work prior to appointment.

The Board will meet quarterly. Trustees will meet regularly at a series of committee meetings that cover Finance, Risk, Audit & Governance, Collections Development; Fundraising; Challenge & Change, Remuneration and Employment and Nominations.

Board meetings are attended by the CEO, the Director of Finance & Resources, the Director of Programmes, and other members of the team as appropriate. Directors prepare and circulate papers in advance of all meetings; minutes are recorded and signed off at the next Board meeting.

Day to day running of the organisation is delegated to the Chief Executive. The CEO reports directly to the Board of Trustees, Arts Council England and the Council and is supported by the Director of Finance & Resources and the Director of Programmes, alongside Heads of Service who bring expertise in specific functions.

- 1.16 The Council has specific interests in this merger as freeholder of the 6 museums sites, owner of the City Collections cared for by both current trusts, major funder, and as Trustees of the Weston Park Charitable Trust.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 Sheffield's museums have a unique role in presenting the story of the city to both residents and visitors – they are custodians of many of the objects, artefacts and stories which explain Sheffield's history and distinctiveness.
- 2.2 The new Sheffield Museums Trust will care for the City Collections, which are owned by the Council on behalf of the people of Sheffield. By reuniting the collections the Trust has an opportunity to share the stories of the city and its people in an integrated and inclusive way, using the resources and collections of both previous trusts to create vibrant museums that reflect the lives of all Sheffield's people and are at the heart of the city, and our communities.
- A united Trust will create a more sustainable and efficient organisation, with shared skills, complementary expertise, and more opportunities for staff.
  - Sheffield will have a large museums service which will bring a higher profile for museums, heritage and culture in the city and beyond.
  - Visitors to Sheffield Museums sites will find a strong, consistent and complementary offer across all sites. This will be simpler for visitors to navigate, and will allow easier signposting between sites to create an even better experience.
  - Access will be improved, it is the new Trust's intention to extend free admission at the point of entry across all sites as soon as is practicable. Best practice in accessibility will be shared across both organisations.
  - By bringing together all the museums sites, there will be opportunities

to display more of the collections and in more imaginative ways.

- Sheffield's museums are a vital educational tool, with school visits reaching 25,000 children annually pre-Covid.
- Both Museums Trusts play an important part in the cultural offer for Sheffield people of all ages, as well as for visitors of all ages from outside the city. In the visitor economy, they welcome almost 1,100,000 visitors, contributing to city centre vibrancy. The creation of a combined trust will enable greater development of this role through the increased opportunities of a new Trust.

### **3. HAS THERE BEEN ANY CONSULTATION?**

3.1 Museums Sheffield and Sheffield Industrial Museums Trust are independent organisations. They have undertaken consultation on the new Sheffield Museums Trust with their own Boards; with funders including Sheffield City Council (Cabinet Member for Culture, Parks and Leisure and Arts, Director of Place) and Arts Council England; and with their staff. There has been strong support for this merger from all parties.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### 4.1 Equality of Opportunity Implications

4.1.1 Overall, the merger of the two Trusts will have a positive equalities impact on Sheffield people and visitors. No negative equalities impacts have been identified.

4.1.2 Both current Trusts have strong equality of opportunity, diversity and inclusion policies and practices covering employment, visitor experience, programming, and collections policies. These will be brought together under the new Trust, using best practice guidance from employment lawyers and sector bodies including Arts Council England, ICOM, the Museums Association and the Collections Trust.

4.1.3 Sheffield Industrial Museums Trust has developed a specialism in disability access, while Museums Sheffield has a strong record in supporting diversity in programming. The impact of Black Lives Matter will be seen in the ways that the new Trust develops its policies, identity and practice.

4.1.4 Currently, Abbeydale Industrial Hamlet and Kelham Island Museum charge an entrance fee while Shepherd Wheel and all MS sites are free to enter unless for specific events and exhibitions. It is the new Trust's intention to extend free admission across all sites as soon as is practicable. The removal of admission charges will make it possible for people who live locally to visit the museums more often and presents an opportunity to reengage existing visitors and to develop relationships with new audiences across the spectrum. Removing admission charges is likely to see a significant increase in visitor numbers and while it will not remove the socio-economic and cultural barriers to participation it is an important step.



## 4.2 Financial and Commercial Implications

4.2.1 There are no specific financial implications associated with the creation of the new Sheffield Museums Trust.

4.2.2 It is proposed to maintain the currently-agreed Council levels of funding for the first two years of the new Trust: (SIMT £387,200 and Museums Sheffield £1,354,000) at £1,741,200 per annum in total, subject to approval at the Council's annual budget setting meeting which takes place in March each year.

4.2.3 It is further proposed that the Council will continue to provide agreed funding linked to Arts Council England funding cycles.

4.2.4 It should be noted that negotiations on Council matched funding for the next Arts Council National Portfolio Organisation funding cycle (awarded from April 2023) will take place in 2021. The new Sheffield Museums Trust may be in a position to bid for a larger sum of Arts Council funding as a combined organisation.

### 4.2.5 Simplex Car

The Council has previously provided a loan of £92,637 to the Sheffield Industrial Museums Trust, secured against the Simplex Car at Kelham Island Museum. The Simplex Car was valued at £179,000 in 2018. The proposal is for the loan to be discharged and the ownership of the car to be transferred to the Council.

After the loan has been discharged, the Council and the Sheffield Museums Trust will enter into an agreement for the Simplex Car to form part of the collections agreement and it will be loaned back to the Trust to be displayed at Kelham Island Museum.

### 4.2.6 Lifecycle Costs Millennium Gallery

Under the terms of the Millennium Fund grant for the Millennium Gallery, Sheffield City Council retains a responsibility for asset management and lifecycle repairs. SCC will work with Sheffield Museums Trust to fulfil its obligations under the terms of the funding.

## 4.3 Legal Implications

### Commercial

4.3.1 The Localism Act 2011 provides local authorities with a "general power of competence" which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need.

4.3.2 If the recommendations within this report are approved then a services agreement will be put in place between the Council and the new trust using one of the previous services agreements that is currently in place. The previous agreements will be replaced by and combined into this one services agreement. This will ensure consistency across all sites and provides the opportunity to update, clarify and strengthen specific areas between the Parties.

- 4.3.3 The services agreement will terminate in accordance with the termination clauses, when the trust is no longer entitled to occupy the properties or the leases have been ended.
- 4.3.4 The obligations of the Sheffield Museums Trust are detailed within the Services Agreement and a business plan must be provided to the Council in accordance with the Services Agreement.
- 4.3.5 Payments will be made quarterly to the Sheffield Museums Trust for the services.
- 4.3.6 The schedules of the Services Agreement will provide more detail for example the services, contract price, maintenance repairs, millennium gallery and the warranties of the parties.
- 4.3.7 The collections agreements will be novated to the Sheffield Museum Trust with a requirement that they are reviewed, and a new combined collection agreement is produced in the next 3 years.
- 4.3.8 Sheffield Museums Trust will take on responsibility for the care, maintenance, display and interpretation of the City Collections, on behalf of Sheffield City Council. A Collections Policy for the new SMT will be developed, in line with the agreed Collections Policies of each existing Trust, which the Council will approve.
- 4.3.9 Consent will be requested from the trustees of the Hawley Collection to novate the agreement relating to the Hawley Collection over to the new trust.
- 4.3.10 Consent will be requested from the Guild of St. George to novate the agreement relating to the Ruskin Collection over to the new trust. This is a tripartite agreement which the Council is a party to.
- 4.3.11 The Public Contracts Regulations 2015 (as amended) and the Councils Contracts Standing Orders must be complied with. The current view of the Council is that the proposals are compliant. Once the final service agreement is received, detail will be provided to the Director of Culture under the delegation in this report.

#### Property

- 4.3.12 To ensure continuity of service, the current leases and occupancy arrangements will be assigned to the new Sheffield Museums Trust.
- 4.3.13 The Council will grant Licences to Assign to Sheffield Galleries and Museums Trust for Weston Park Museum, Millennium Gallery and the storage facility.
- 4.3.14 The Council will grant Licences to Assign to Sheffield Industrial Museums Trust for Kelham Island Museum and Abbeydale Industrial Hamlet.
- 4.3.15 There may be a need to amend user clauses in some of the leases and, if necessary, appropriate variation provisions will be added to the Licences to Assign.
- 4.3.16 A Tenancy at Will for the Graves Gallery, a Licence to Occupy for Shepherd

Wheel and any necessary early access agreements will also be granted to Sheffield Museums Trust. These will ensure a smooth transition and formalise the obligations and requirements of the parties.

#### Weston Park

4.3.17 The Weston Park Museum is a property held in trust by the Council for the Weston Park Trust: a registered charity (number: 1112685), established by a Declaration of Trust dated 5 December 2005.

4.3.18 A lease of the Weston Park Museum dated 30 May 2006, was granted under powers contained in the Declaration of Trust:

*“...to grant a lease or leases of land and/or buildings to Sheffield Galleries and Museums Trust [Registered Charity No. 1068850] for use by them as a Museum and/or Art Gallery together with any ancillary activities connected with the operation of a Museum and/or Art Gallery for the benefit of the public.”*

4.3.19 The current lease was a renewal by reference dated 29 August 2014, which granted a new term of 25 years but incorporated all the requirements, covenants and conditions contained in the 2005 lease.

4.3.20 As the sole corporate trustee, all decisions on matters related to property held by the Council on trust are made by the Cabinet. The law sets out clear requirements to ensure that any lease of the Trust’s property is properly managed in the charity’s interests.

4.3.21 In this case, the grant of a Licence to Assign does not amount to a disposition by the Trust for the purposes of sections 117 to 120 of the Charities Act 2011. It is the original tenant, not the Weston Park Trust, that is disposing of its interest in the property to the new tenant.

#### 4.4 Other Implications

##### 4.4.1 Staffing Implications for the new Museums Trust

TUPE of staff is a matter for the new Trust however the Council’s understanding is that all staff are being transferred into a new joint staffing structure. Staff from both organisations will be transferred under TUPE regulations to the new Trust, with appropriate consultation and representation procedures in place.

##### 4.4.2 Pension Implications

As both Museums Sheffield and SIMT will effectively TUPE their staff to the new trust, at this point both current pension admission body agreements will cease and a new one for the new trust will be signed. The Council has agreed to act as guarantor to South Yorkshire Pensions Authority (“SYPA”) as it poses no additional risk to the current arrangements of the Council acting as guarantor to SYPA and the existing arrangements that are in place. South Yorkshire Pensions Authority has agreed to this and will allow the transfer to happen on an ‘ongoing’ basis so there will be no need for a crystallisation of the liabilities on exit of their current arrangements.

##### 4.4.3 Collections Arrangements and Policies

The current Collections Arrangements and Policies for each existing Trust, which have been previously approved by the Council, will be transferred across to the new organisation. A new joint Collections Arrangement and Policy will be produced within the first 3 years of Sheffield Museums Trust.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The alternative to the new Sheffield Museums Trust would be for the two existing museums trusts to continue separately. There are many advantages and opportunities presented by a single united Museums Trust, and warm enthusiasm from both organisations for this development. There seems little merit in continuing as two separate trusts.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 Sheffield Museums Trust will become one of the largest groups of museum sites in the country, with a unique opportunity to showcase and celebrate the history, development and diversity of the city, while allowing us to take our place on a national stage. It will become an even greater asset to Sheffield people and to our visitors. A merged museums trust opens up opportunities for additional external funding, and creates a more resilient, flexible and skilled organisation for the future. More of the Sheffield Collection will become accessible for Sheffield people to enjoy. Both Trust Boards see this as a strongly positive step for the future.