

Division(s):

CABINET – 19 July 2011

SOLDIERS OF OXFORDSHIRE (SOFO) – DEVELOPMENT IN THE GROUNDS OF THE OXFORDSHIRE MUSEUM

Report by Director for Social and Community Services

Introduction

1. Cabinet in June 2011 agreed recommendations to authorise the County Council's Assistant Head of Property and County Solicitor to agree the necessary arrangements to allow SOFO to create a new museum within the grounds of The Oxfordshire Museum, Woodstock. Cabinet also agreed that any matters relating to the SOFO development which could not be resolved be brought back to Cabinet for decision. Following that meeting negotiations have continued and a further decision is required relating to the ongoing commitment to the site and future arrangements.

The outstanding issues

2. The report to Cabinet in June 2011 highlighted the risks associated with the project. The predominant risk to the County Council is that SOFO could find that it is not able to sustain the new building and its services. In those circumstances the SOFO building will revert to the Council as land owner. Whilst this will provide the Council with an asset it will bring premises costs and liabilities. It may not be possible to identify needs or find alternative uses for the building without investment and as a result of use restrictions the building may not have a tangible value.
3. SOFO is concerned that the Council may decide not to provide and maintain The Oxfordshire Museum and that the closure of that museum would pass any shared costs to SOFO and reduce potential revenue which then threatens the survival of the SOFO museum. The Trustees of Soldiers of Oxfordshire are clear that a SOFO Museum is not viable as a stand alone museum on the Fletcher's House site and would not authorize capital expenditure to take the project forward on this basis.
4. SOFO takes the view that it was invited and has now developed extensive plans for a Conflict Museum within the grounds of The Oxfordshire Museum, recognising the synergy and benefits to both. SOFO recognises that the Council may not be able to guarantee to provide and maintain The Oxfordshire Museum for 25 years (the minimum required by its major donor). The recommendation (b) therefore provides a solution which is acceptable to SOFO.

5. The construction of the SOFO museum is to be financed by an anonymous donor in the sum of approximately £4 million. The donor requires that his details are not revealed to the public.
6. The Memorandum of Understanding signed by OCC and SOFO states that the Council intends to retain the Museum on the site with a caveat that it was 'subject to future policy changes'. Officers have proposed this wording be integrated within the management agreement but SOFO have advised that this is not sufficient guarantee.
7. Following negotiation with Council officers it was suggested that the County Council might, in circumstances where County Council provision of The Oxfordshire Museum was withdrawn, be prepared to consider leasing the premises to SOFO (or a new trust or similar body) in order to provide the opportunity for other organisations to consider running The Oxfordshire Museum independently. In these circumstances the County Council would require any interested trust or similar body to submit a viable business case for the continued running and operating of the museum from the site, for approval.
8. SOFO has had a concern relating to long term visibility and access; should it not be possible to maintain the viability of The Oxfordshire Museum then SOFO requires that access to its museum should remain from Park Street (the main entrance to the site); and be of appropriate scale and design. This has been accepted and an appropriate route has been verbally agreed.

Financial and Staff Implications

9. The decision needs to be taken at the full Cabinet meeting on 19 July 2011 as enabling work is planned to start on site in August 2011. SOFO advise that they require a formal start on site before October 2011 due to a need to avoid redesign to meet new building regulation requirements and consequential increased capital cost to SOFO.
10. In addition to SOFO's major donor contribution to the project, SOFO has submitted an application to the Heritage Lottery Fund for a further £1 million towards fit-out costs and learning and access programmes. In negotiation HLF made it clear that it is the quality of the partnership between SOFO and The Oxfordshire Museum that strengthens the application.
11. If the County Council decided it could no longer provide and maintain a museum on the site and it did decide to offer the property on a lease to a trust (or similar body), this would have financial implications in terms of property value and the ability at that time to maximise the capital receipt from the site. Due to the nature of the site and issues surrounding access from Park Street the capital receipt which could be generated from the sale of Fletchers House would need to be deferred until the site was not subject to a lease.

12. Property & Facilities is obtaining an estimate of the current existing use value and alternative use value for the site which will be available for the Cabinet meeting.
13. The current revenue budget for The Oxfordshire Museum is £200,000 (this does not include collection care, technical support, and senior management) and for the whole museum service £786,000 (including The Oxfordshire Museum). Planned budget reductions through 2012/13 and 2013/14 will reduce this to £486,000. A consultancy funded by the Museums Libraries and Archives (Council) in 2010/11 considered possible changes in governance and recommended that no change should be made at present, until the SOFO building is completed; but that a transfer to trust (or similar body) status could be beneficial at a future date. The trust (or similar body) should include governance of the whole service, not solely The Oxfordshire Museum site.
14. Whilst the donor providing approximately £4 million for the construction of the SOFO museum requires that his details are not revealed to the public, the Council's Money Laundering Reporting Officer (the Assistant Chief Executive and Chief Finance Officer) needs to be satisfied as to the appropriateness of the financial arrangements for SOFO and the bona fides of the donor.

RECOMMENDATION

15. The Cabinet is RECOMMENDED to

- a. **Require the Council's Money Laundering Reporting Officer (the Assistant Chief Executive and Chief Finance Officer) to satisfy herself as to the appropriateness of the financial arrangements for SOFO and the bona fides of the donor**
- b. **Agree that should the Council no longer be able to provide and maintain The Oxfordshire Museum at any time during the 25 years following completion, to offer a lease of those premises, on terms to be agreed, to SOFO (or a new trust or similar body) in order that they have opportunity to consider running The Oxfordshire Museum independently, subject to the County Council's approval of a viable business case and its obligations.**

JOHN JACKSON
Director for Social and Community Services

Background papers:

Contact Officer: Martyn Brown, County Heritage and Arts Officer; Tel: (01993)

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