



Northumberland

County Council

CABINET

TUESDAY, 14 FEBRUARY 2023

COUNCIL RESPONSE TO THE INDEPENDENT REVIEW OF ITS CULTURAL INVESTMENT PORTFOLIO

Report of: Councillor Jeff Watson, Healthier Lives portfolio holder

Lead Officer: Janice Rose, Interim Executive Director of Regeneration

Purpose of report

The purpose of the report is to summarise the key findings and recommendations from the independent Review within the context of the proposed initial response by the Council to those findings and recommendations.

Recommendations

Cabinet is recommended to approve:

- 1. the proposed initial Council response to the key findings and recommendations of the independent Review of the Cultural Investment Portfolio as set out in Appendix 2; and**
- 2. the proposed revised budget for the Cultural Investment Portfolio, which are included in the proposed Council Budget 2023/24 and Medium Term Financial Plan, whilst recognising that the proposed investment contributions to Museums Northumberland in 2024/25 and 2025/26 are subject to a further business and financial planning review process.**

Link to Corporate Plan

The proposed revised approach to the Cultural Investment Portfolio has been predicated on maximising both the potential for economic growth and tackling inequalities whilst securing value for money to ensure full alignment with the priorities of the Corporate Plan.

Key issues

In September 2021, the Council's Head of Cultural Services commissioned Dr Caroline

Murphy to undertake an independent review of the Council's current arrangements for supporting the County's cultural sector and arts and cultural organisations.

The fundamental purpose of the Review was to inform options for the introduction of a new outcome-based approach to Cultural Investment Portfolio allocation that is sustainable, understood by all stakeholders, and achieves maximum strategic impact from the Council's overall investment into culture. These options would explore the potential for the Council to make between 20% and 50% of savings to the Investment Portfolio.

The Council currently invests £1.06m annually in a Portfolio of 14 cultural organisations, across four investment strands: Museums, Arts Venues, Arts Development and Arts Organisations. A significant majority of this investment (0.655m) is in Museums Northumberland, which inherently creates an imbalanced Portfolio and means that the success or failure of Northumberland's investment is overly dependent on the performance of one organisation. It equally means that any fundamental review of the Investment Portfolio is more likely to have a disproportionate impact on this Council contribution.

The Review confirms that the Portfolio has created positive impact towards achieving the Cultural Strategy's vision and goals, with strong evidence of inclusive approaches that engage with target groups who may not otherwise access arts and cultural activities. For most of the organisations in the Portfolio, a relatively low level of investment contributes to engagement with residents and visitors that, pre-covid, has been resilient and stable. However, the high level of investment level in Museums Northumberland is unsustainable, and the organisation has been seeing a steady decline in engagement for some years.

The Review concludes that there is no 'silver bullet' for achieving the twin objectives of creating an investment framework that supports a resilient and vibrant cultural offer for the county while also implementing significant savings. However, a combination of new actions and a focus on critical success factors will help the Council to work towards a future state that addresses priorities within a context of achieving savings of up to 20%.

On this basis, the Review proposes that the Council applies three critical success factors as the basis for defining the future arrangements for the Investment Portfolio and subsequently recommends four strategic actions to optimise the delivery of those critical success factors. The Review then explores three possible options to demonstrate a range of ways forward for the Council to consider future investment in culture.

The proposed preferred option focuses on approaches that emphasis the role that arts, culture and heritage play in helping to shape the places where people live, work and visit; and prioritises the inclusion of people who face barriers to engagement. As such, this investment will continue to play a significant role in tackling inequalities across the county.

This report sets out the Council's immediate response to the findings and recommendations of the independent Review and accordingly seeks approval to the proposed revisions to the budget.

BACKGROUND

1. Northumberland has a rich and diverse arts, heritage and culture sector and the Council is actively committed to investing in the associated cultural organisations as a key driver for building a healthier, more fulfilled and prosperous county. The funding currently provided by the Council largely reflects the legacy arrangements of the previous six District Councils and has remained relatively consistent since Local Government Reorganisation (LGR) in 2009.
2. From 2017, the Council introduced four-year funding agreements for core arts and cultural organisations. This provided stability, assurance, leverage and an opportunity to increase resilience. These agreements were subsequently extended in 2021-22 (subject to some modest savings totalling £34,000) for an additional year in the context of Covid-19 Recovery but on the understanding that a fundamental review of this Investment Portfolio would be undertaken over the subsequent twelve months.

Brief for Independent Review

3. In September 2021, the Council's Head of Cultural Services commissioned Dr Caroline Murphy to undertake an independent review of the Council's current arrangements for supporting the County's cultural sector and arts and cultural organisations.
4. The fundamental purpose of the Review was to inform options for the introduction of a new outcome-based approach to Cultural Investment Portfolio allocation that is sustainable, understood by all stakeholders, and achieves maximum strategic impact from the Council's overall investment into culture. These options would explore the potential for the Council to make between 20% and 50% of savings to the Investment Portfolio.
5. On this basis, the brief for the Review confirmed that the Council wants to ensure that its future investment:
 - is based on evident and agreed need
 - effectively, and clearly, contributes to the Council's strategic priorities for individuals, communities, the economy and regeneration, and the environment as highlighted in the Northumberland Cultural Strategy, Northumberland Economic Strategy, and the Council's Corporate Plan.
 - reaches the County's diverse and wide-ranging communities and audiences in significant numbers related to context
 - stimulates innovation within the sector
 - encourages creative collaboration both within, and external to the sector
 - promotes a consistent high-quality offer to audiences and participants

- promotes maximum accessibility to cultural opportunities throughout the County for all people
 - enables engagement and outreach based on the needs of local communities
 - supports organisations that show a commitment to partnership working with NCC and strategic partners in the County, and beyond
 - supports organisations that can illustrate and evidence best practice in delivering impacts to wellbeing and education
 - supports organisations that have demonstrated sustainable growth and strategic planning
 - complements Arts Council England (ACE) 'Let's Create' Strategy and their priorities for investment through the National Portfolio Organisation (NPO) process
 - is recognised as generating maximum return on investment and high value
6. The Review was also asked to specifically consider the ability of the county to maximise the potential from the North of Tyne Combined Authority (NTCA), the Borderlands Inclusive Growth Deal, Town Deals, Future High Streets Fund and other key investment opportunities supporting town and rural regeneration.

The Current Portfolio

7. The Council currently invests annually in a Portfolio of 14 cultural organisations, across four investment strands: Museums, Arts Venues, Arts Development and Arts Organisations, as set out below.

THE COUNCIL'S CULTURAL INVESTMENT PORTFOLIO

Museums: Museums Northumberland and Bailiffgate Museum

The Museums investment strand supports exhibitions, education, learning, outreach, and community programmes at Bailiffgate Museum and at sites operated by Museums Northumberland – Berwick Museum & Art Gallery, Morpeth Chantry Bagpipe Museum, Hexham Old Gaol and Moot House, and Woodhorn Museum. Museums Northumberland is also responsible for the care of relevant collections in the museums. Woodhorn Museum, Morpeth Chantry, Hexham Old Gaol and Moot Hall are owned by Northumberland County Council.

Arts Venues: Alnwick Playhouse, The Maltings Berwick, The Phoenix Theatre Blyth, Queen's Hall Arts

Investment in Arts Venues supports a diverse range of activity which includes live performance (theatre, dance, music); film; visual arts; educational workshops and learning activity; outreach and community programmes; artist development; and programmes that improve inclusion for target groups (eg young people, people

with disabilities, older residents). The Maltings, Queen’s Hall and Alnwick Playhouse are owned by Northumberland County Council.

Arts Development: *Mortal Fools (Drama, young people); Hexham Book Festival (literature, young people) Highlights Rural Touring (Theatre/performance, rural audiences) and The Maltings (Dance and Visual Arts)*

The Arts Development strand focuses on creating opportunities for the wider community to take part in arts activities, extending reach and impact to individuals and communities who may otherwise have limited access to cultural provision due to factors including socio-economic background, age and geographical location.

Arts Organisations: *Headway Arts; Berwick Film & Media Arts Festival; November Club; Theatre Sans Frontières and Network Artists North East*

The strand supports organisations to deliver core activities which benefit artists, residents and visitors to Northumberland and includes specialisms in film and media (Berwick Film & Media Arts Festival); inclusive arts for people with learning disabilities (Headway Arts); theatre making and inclusion (Theatre Sans Frontières); and artist networking and development (Network Artists North East).

8. It should be noted that while these strands categorise investment by activity type, in reality the lines are more blurred. For example, museums and venues may also deliver Arts Development activity, and organisations funded under Arts Development may also run venues. This flexibility across the Investment Portfolio is a strength and, as such, provides an opportunity to align investment strands more clearly to strategic outcomes.

9. The current level of investment in each organisation is summarised below:

Organisation	Investment	Percentage of total
Museums		
Museums Northumberland	£655,185	61.7%
Bailiffgate	£17,498	1.6%
Arts Venues		
Queens Hall	£95,778	9.0%
The Maltings	£119,574	11.3%
Alnwick Playhouse	£58,325	5.5%
Phoenix	£40,828	3.8%
Arts Development		
Hexham Book Festival	£24,302	2.3%
November Club	£9,720	0.9%

Mortal Fools	£9,720	0.9%
Arts Organisations		
Headway Arts	£9,720	0.9%
Berwick Film & Media	£9,720	0.9%
Highlights Rural Touring	£9,720	0.9%
Theatre Sans Frontières	£1,220	0.1%
Network Artists	£775	0.1%
Total	£1,062,085	100.0%

10. A significant majority of investment is in Museums Northumberland, which inherently creates an imbalanced Portfolio and means that the success or failure of Northumberland's investment is overly dependent on the performance of one organisation. It equally means that any fundamental review of the Investment Portfolio is more likely to have a disproportionate impact on this Council contribution.
11. Another four organisations (Queen's Hall, The Maltings, Alnwick Playhouse and Phoenix Theatre) receive over £25,000 per year. This accounts for 29% of the total investment pot, with the remaining 8% of investment distributed across 9 organisations. However, these smaller funding allocations have a significance beyond the value of the financial resource alone with the additional benefits cited by organisations as including leverage opportunities, enhanced credibility and reputational collateral, stability of funding, enhanced profile, and stronger sectoral networking.
12. It should also be noted that the current contribution to The Maltings Trust relates to three separate components, as follows:

Core funding to the operation of The Trust	£80,414
Visual arts	£14,858
Dance	£24,302
Total	£119,574

Methodology and Approach to the Review

13. The Review implemented an evidence-led approach to the analysis of the current situation, to build options for a sustainable future investment framework. This involved the gathering and analysis both qualitative and quantitative data through the following activities:
- Analysis of investment into cultural organisations for the five-year period from 2017/18 to 2021/22
 - Analysis of engagement through audience, visitor, participation and outreach numbers from 2017/18 to 2021/22

- Review of Portfolio organisations' narrative reports to Northumberland County Council from 2017/18 to 2021/22
- Cultural organisations' current and forward plans and targets
- Annual returns held by Companies House for the 5 organisations in receipt of grants over £25,000.
- Review of relevant sector related research
- Consideration of current lease and rental arrangements for Northumberland cultural venues occupied by Portfolio organisations.
- Meetings with leadership team/executive and trustee/board members of all current Portfolio organisations
- Site visits to Alnwick Playhouse, Queen's Hall Arts, The Maltings, Bailiffgate Museum and Museums Northumberland (at Woodhorn and Berwick Museum and Art Gallery).
- Meetings with Hadrian's Wall UNESCO World Heritage Site Partnership Board Chair and Coordinator
- Meetings with local and regional representatives of ACE to gain an understanding of their strategic context in relation to Northumberland
- Meetings with Councillor Jeffrey Watson and Councillor Liz Dunn in their respective roles as portfolio holder and shadow portfolio lead
- Meetings with relevant Council's officers from Cultural Services, Economic Regeneration, Public Health, and Strategic Estates.

Current State Analysis

14. This section of the report, which is reproduced in full at Appendix 1, considers the current investment framework with reference to level of investment in individual organisations, impact achieved against strategic goals, engagement in cultural activities, leverage of external income into the county, jobs and freelance opportunities.
15. The section concludes by confirming that the current Cultural Investment Portfolio has created positive impact towards achieving the Cultural Strategy's vision and goals, with strong evidence of inclusive approaches that engage with target groups who may not otherwise access arts and cultural activities. For most of the organisations in the Portfolio, a relatively low level of investment contributes to engagement with residents and visitors that, pre-covid, has been resilient and stable. However, the high level of investment level in Museums Northumberland is unsustainable, and the organisation has been seeing a steady decline in engagement for some years.
16. The current investment strands, of Museums, Arts Development, Venues and Arts

Organisations, are cultural sector focused, and do not reflect the reality of how organisations work across these divides. Equally, wider aspects of heritage, an important feature of Northumberland's cultural life, are not fully reflected, and it is notable the Hadrian's Wall UNESCO World Heritage Site is not currently part of the Investment Portfolio, although the Council is the lead authority on the Partnership Board and provides some support on annual basis from another Council budget. Given this, the Council should consider focusing investment strands more closely on strategic objectives, including place-based and inclusive approaches to arts and culture.

Future State

17. The Review concludes that there is no 'silver bullet' for achieving the twin objectives of creating an investment framework that supports a resilient and vibrant cultural offer for the county while also implementing a significant savings. However, a combination of new actions and a focus on critical success factors will help the Council to work towards a future state that addresses priorities within a context of achieving savings of up to 20%.
18. On this basis, the Review proposes that the Council applies the following critical success factors as the basis for defining the future arrangements for the Investment Portfolio:
 - **Support Northumberland County Council's strategic objectives**, including strategic partnership working and creative place-based initiatives that will drive regeneration, economic development and public engagement in culture.
 - **Safeguard the cultural assets owned and cared for by Northumberland County Council** for the benefit of the people who live in and visit the county.
 - **Optimise the engagement of people of all ages and backgrounds in cultural activities** as audiences, participants, volunteers, residents and visitors, supporting quality of life, pride in place, health and wellbeing, skills and lifelong learning.
19. Subsequently, the Review recommends four strategic actions to optimise the way forward for the investment portfolio relative to the application of these critical success factors. These are as follows:
 - **Action 1:** Develop a strategy that protects Northumberland's cultural properties for the future
 - **Action 2:** Transform the partnership agreement with Museums Northumberland (Woodhorn Charitable Trust)
 - **Action 3:** Optimise the engagement of people in museums, heritage, and culture through place-based approaches
 - **Action 4:** Prioritise inclusive approaches to cultural activity that reach people and communities who face barriers to engagement

20. The rationale and mechanism for change for each of these strategic actions as set out in the Review is summarised at Appendix 2. However, it should be noted that some of the recommendations proposed by the Review are not being disclosed at this juncture as they potentially prejudice the processes that the Council intends to put in place in response to the most immediate issues. Within this context, Dr Murphy has confirmed that the “rationale for change” sections within the Appendix don’t include anything that is contrary to any of her findings or recommendations.

Options for future investment

21. Finally, the Review explores three possible options to demonstrate a range of ways forward for the Council to consider future investment in culture. The options are informed by critical success factors and strategic actions outlined above. The implication of each potential scenario is summarised below.
22. For the first two options, it has been assumed, as outlined in Appendix 2, that the Council will enter into a new agreement with Museums Northumberland from 2024/25, with a view to reducing its contribution to a level more consistent with national comparators. Equally, the first two options also assume that the Council will formally add the Hadrian’s Wall WHS and the provision of early years creativity within the Blyth Culture Hub offer. In the case of the third option, the potential impacts across the Cultural Investment Portfolio are potentially more immediate and more damaging.

Analysis of Potential Future Options for the Cultural Investment Portfolio

Option 1 – ‘Do minimum’ (status quo with reduced investment) (20% saving)

This option considers maintaining the current portfolio of 14 organisations operating on a reduced investment budget of 15%. It should be considered as it provides the base case against which other options may be evaluated.

However, this option does not meet all the critical success factors and does not enable all of the key actions to be delivered. Implementing this option may also weaken the Council’s ability to respond effectively to future events and economic turbulence and reduce the county’s competitive advantage in maximising new opportunities. This option is not recommended.

Option 2 – Place-based Engagement and Inclusion (20% saving)

This option focuses on approaches that emphasise the role that arts, culture and heritage play in helping to shape the places where people live, work and visit; and prioritises the inclusion of people who face barriers to engagement. It proposes a reduced investment budget to those organisations within the portfolio who are still considered eligible give the focus on place and inclusion.

This option responds positively to the themes of economic growth and tackling inequality that underpin the strategic priorities in Council's Corporate Plan. It enables all of the key actions to be implemented and meets the critical success factors. It is therefore the recommended option.

Option 3 – Cultural Anchors (50% saving)

This option proposes that investment in a small cohort of 6 cultural priority assets (Woodhorn Museum, Berwick Museum and Art Gallery, Hadrian's Wall World Heritage Site, Queen's Hall Hexham, The Maltings Berwick and Alnwick Playhouse) is retained but at a level reduced by 15%. Investment in all other cultural activity ceases from 2023/24.

The impact of this will be a much-reduced cultural offer across the county, considerably lower levels of cultural engagement, potential impact on jobs and freelance employment across the organisations, and significantly reduced leverage of income into the county from external sources. The impact on Museums Northumberland is sudden, presenting a shock to business planning that may threaten viability, and the timescale for implementing a new partnership agreement is unreasonable, with a risk that some of the Council-owned assets will be mothballed. The sudden cessation of income will be extremely challenging for organisations to manage. This option may considerably weaken the Council's competitive advantage for future working and does not adequately meet the critical success factors and key actions. This option is not recommended.

The proposed budget approach to revising the Investment Portfolio

23. On receipt of the final report of the Review, Council officers held, in confidence, preliminary conversations with each of the 14 cultural organisations within the Investment Portfolio to highlight the findings and recommendations of the Review. The purpose of these discussions was to gauge their potential impact on delivery, if approved by the Council, and thereby inform the development of a sustainable framework for ongoing investment whilst realising a budget saving of between 15% and 20% over the next three years.
24. It should be noted that whilst the Investment Portfolio has a current budget of £1,062,085. An additional £35,000 is also currently invested by the Council in the Hadrian's Wall Partnership Board on a rolling annual basis from a different budget head (250071). It is now intended to integrate these two processes thereby giving better security to the Hadrian's Wall Partnership Board whilst aligning the performance monitoring arrangements. Therefore, the revised working budget for the Investment Portfolio is £1,097,085.

25. On this basis, the following funding framework is proposed for the Investment Portfolio from April 2023 to March 2026:
- Funding to both the November Club and Network Artists is reduced by 30% for 2023/24 and withdrawn altogether from 2024/25 on the basis that neither organisation sufficiently complies with either the place or inclusion priorities of the Investment Portfolio.
 - Funding to Museums Northumberland is reduced by 10% for 2023/24, with the aim of having a revised Partnership Agreement in place from 2024/25 predicated on a reduced annual investment target of between 27% and 36% by March 2026.
 - All the other organisations currently in the Investment Portfolio will be subject to a 10% funding reduction in 2023/24, with subsequent performance monitored annually to ensure value for money is maintained until March 2026.
 - Funding to Hadrian's Wall World Heritage Site is added to the Investment Portfolio to provide greater certainty over its operational budgets and the Council contribution increased by £5,000 to £40,000 from 2024/25 to reflect its status as an international and national destination
 - Funding to the Early Years provider within the Bluth Cultural Hub is added to the Investment Portfolio from 202/25 with an initial allocation of £40,000 to reflect the proposed opening of the facility in Autumn 2024, with a subsequent allocation of £20,000 added for 2025/26 to reflect the Council's commitment to tackle inequality and child poverty
26. The table at Appendix 2 sets out the implications of this approach over the next three financial years. The extent of the total saving on the Investment Portfolio will depend on the outcome of the review process associated with the future protection of the county's museum collections and associated buildings. However, the expectation is that a saving of between 15% and 20% on the total current investment will be realised.

IMPLICATIONS

Policy	The application of the Cultural Investment Portfolio is fully aligned with the vision and goals of the Northumberland Cultural Strategy.
Finance and value for money	The Review of the Cultural Investment Portfolio has been predicated on the basis of finding an appropriate balance between safeguarding the future of the county's cultural organisations which largely operate as charities and achieving value for money for the respective investment contributions they receive. On this basis, the aim is to secure a budget saving of around 15% to 20% without realising a substantive loss in the cultural offer. At this stage a 15% saving between April 2023 and March 2026 has been incorporated into the Medium Term Financial Plan.
Legal	<p>The actions following on from the independent review will require legal advice and support and may have individual legal implications. These will be addressed as they arise.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
Procurement	None
Human Resources	None
Property	The Review has made recommendations which it is proposed that the Council accept to harmonise the current leasing arrangements with different organisations and to develop a long-term capital strategy of investment to protect and maximise the values of the cultural assets owned by the Council.
Equalities	<p>Impact Assessment attached</p> <p>Yes <input type="checkbox"/> No X N/A <input type="checkbox"/></p> <p>An Impact Assessment has not been undertaken at this stage as there is no evidence that the proposed revised approach to the Investment Portfolio will result in any loss of cultural offer. Indeed, the revised approach increases the proportion of investment being afforded to cultural organisations that have a particular focus on inclusion in the arts and culture. Further work may be required in the future depending on the outcomes from the further work to review the operating framework for Museums Northumberland.</p>
Risk Assessment	The main risks are associated with finding a sustainable future for Museums Northumberland as part of the next phase of the work.
Crime & Disorder	None

Customer Consideration	None
Carbon reduction	None
Health and Wellbeing	The proposed revised approach to the Investment Portfolio will seek to optimise the engagement of people of all ages and backgrounds in cultural activities as audiences, participants, volunteers, residents and visitors, supporting quality of life, pride in place, health and wellbeing, skills and lifelong learning.
Wards	ALL

Background papers

None – the report of the independent Review is not in the public domain at this juncture as a significant part of its content will potentially prejudice the processes that the Council intends to put in place in response to the most immediate issues.

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
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Appendix 2: The Council's proposed response to the actions recommended by the independent Review

Action 1 – Develop a strategy that protects Northumberland's cultural properties for the future

Rationale for change

The Council owns a number of properties that are home to significant cultural assets and attractions. These are:

- Alnwick Playhouse
- The Maltings, Berwick
- Queen's Hall Arts Centre, Hexham
- Woodhorn Museum
- The Old Gaol, Hexham
- The Moot Hall, Hexham
- The Bagpipe Museum (Morpeth Chantry)
- Blyth Battery
- Blyth Culture Hub (opens 2024)

The protection of these assets is critical to maintaining place-based approaches that contribute to Northumberland's strategic aims.

Currently the models for maintenance, capital investment and tenancy agreements vary across the cultural assets, and there is no long-term capital investment strategy in place. This results in a lack of consistency in the management of the assets with tenants; and maintenance, repair and renewal tend to be reactive rather than part of a planned programme.

A comprehensive strategy for the protection of cultural properties will help the Council to Northumberland to develop cost effective approaches that look to the long term.

Proposed initial response of the Council

Based on the findings of the independent Review, the Council is minded to:

- **review, during 2023/24, the current lease and rental agreements with tenants – with the arrangements in place for the Queen's Hall Centre in Hexham acting as the model by which the Council will seek to harmonise agreements across the cultural property portfolio; and**
- **develop with tenants, in the longer term, a long-term capital investment plan for the cultural property portfolio to establish appropriate levels of responsibility for maintenance, repair and renewal as well as a coherent framework for accessing external funding.**

Action 2 – Transform the partnership agreement with Museums Northumberland (Woodhorn Charitable Trust)

Rationale for change

The level of investment in Museums Northumberland is currently £655,185. This dominates the Council's investment in cultural organisations, accounting for more than 60% of investment across the Portfolio. This represents around a third of Museums Northumberland annual income which is relatively high when compared with similar museums nationally with the equivalent figure averaging around 8-10%.

Furthermore, this level of investment in a single organisation soaks up resource to such an extent that Council's ambition to meaningfully support a diverse range of cultural opportunities is severely limited. It is therefore the case that any option for change in the overall investment framework is dependent on a significant reduction in the level of funding distributed to Museums Northumberland. In short, the current level of investment in Museums Northumberland is not sustainable.

The success of Museums Northumberland - in terms of social and cultural impact as well as financial outturn – is largely dependent on the performance of Woodhorn Museum. In recent years, visitor numbers at Woodhorn have declined significantly which has created an additional challenge for Woodhorn in recovering from the shock caused by the pandemic and in re-engaging visitors post-covid. A clear understanding of why visitors have declined so sharply at Woodhorn has not emerged during this Review with a range of inter-linked factors having a combined impact.

Nonetheless, Woodhorn has the capacity to occupy a significant position as a cultural anchor organisation for South East Northumberland, but for this to reach its full potential (and in the context of reductions in public income) it is likely that Museums Northumberland will need to develop a fresh vision and plan for Woodhorn Museum.

As such the Council should consider ways in which the level of investment can be reduced while supporting the organisation to focus on stakeholder objectives and future resilience. A 'chipping away' approach to reduction in investment under the terms of the current agreement is not recommended, as it lacks the necessary focus on changing engagement and developing a fresh approach.

Proposed initial response of the Council

Based on the findings of the independent Review, the Council is minded to collaborating with Museums Northumberland and Arts Council England to put in place a revised Partnership Agreement to come into effect for 2024/25.

This new arrangement will focus on establishing a robust operating framework for Museums Northumberland that is predicated on a reduced annual investment from the Council that is more comparable with the national average whilst protecting, in particular, the long-term future of Woodhorn Museum.

As part of this, the Council will support, if considered necessary and appropriate the undertaking during 2023/24 of an independent Business and Finance Review of Museums Northumberland.

Action 3 – Optimise the engagement of people in museums and heritage through place-based approaches in culture

Rationale for change

Place based approaches to museums, heritage and culture are generally understood to have three major roles to contribute to community revitalisation; to act as a catalyst for collaboration and economic regeneration; and to support placemaking and branding.

Place based regeneration has a strong role to play in Northumberland's future strategy, optimising impacts for tourism and community engagement, and building on success such as the Hexham High Streets Heritage Action Zone (HSHAZ), the Berwick Cultural & Creative Zone (CCZ), the cultural capital investment secured through the Borderlands Inclusive Growth Deal, and the cultural elements being delivered within the Energising Blyth Programme. Under the current Cultural Investment Portfolio framework, place-based approaches are not established as a thematic priority. This means that links between the Portfolio and wider place-based regeneration initiatives are less strong than they could be.

Within this, it needs to be acknowledged that the Council is committed to the success of and the repurposing of the Berwick Barracks via the Living Barracks initiative. As such, the Council maintains that the Berwick collections in its custodianship which form part of the Berwick Museum and Art Gallery should form an integral part of this project. Museums Northumberland's view is that the development at Berwick Barracks does not meet the objectives for a gallery and museum in Berwick, and their preference is to pursue other options at different locations in the town.

Any such place-based approach also needs to acknowledge the significance of the Hadrian's Wall UNESCO World Heritage Site. Hadrian's Wall is one of only 33 UNESCO World Heritage Sites in the United Kingdom, and one of only 2 in the North East of England, along with Durham Castle and Cathedral. It represents a major feature of the landscape, history, and identity of Northumberland, contributes to people's sense of pride of place in the county and acting as a significant attractor for visitors. The future ambition for this internationally recognised asset is to raise engagement with communities, attract more visitors, and, critically, retain World Heritage Site Status. Achieving these three outcomes is not sustainable on the current resource base.

Proposed initial response of the Council

Based on the findings of the independent Review, the Council is minded to strengthening the place-based focus within its Cultural Investment Portfolio by promoting the continued progressive building of collaborative approaches with cultural, museum and heritage partners that align, deepen and accelerate with the county's wider programme of place-based economic growth and regeneration.

As part of this initial response, the Council will:

- **define, as a matter of urgency, the future arrangements for housing the Berwick collection in its custodianship, within the context of the wider regeneration of the town; and**
- **formally incorporate Hadrian's Wall WHS within its cultural investment portfolio with an investment contribution that reflects its role as an international and national destination.**

Action 4 – Prioritise inclusive approaches to cultural activity that reach people and communities who face barriers to engagement

Rationale for change

The current Cultural Investment Portfolio includes organisations whose work engages with individuals and communities as participants, supporting their personal development and helping them to lead healthier, more fulfilled lives. Target groups for this work include children and young people, older people, rural communities, and people with learning disabilities. The work is underpinned by areas of expertise that include dance, drama and theatre, literature and creative writing, and visual arts.

Reaching people with the greatest need, and those who face barriers to engagement, is a priority for the Council across all of its service delivery. Nonetheless, research indicates that a range of socio-economic factors create barriers, including age, class background, race, gender, and disability.

Within this, it needs to be acknowledged that there is currently no provision made for early years creativity. Research confirms that creativity supports children's early development by enabling them to design, create, experiment, explore, imagine, share and reflect. It encourages children to problem solve, explore possibilities, and generate multiple new ideas as ways of exploring the world, establishing a sound basis for future learning and educational attainment. Creative engagement is also associated with improved impact on health and wellbeing outcomes for young children.

Engaging young children and their families in high quality cultural activities supports the Council's ambition to give children the best start in life. This is particularly important in a context of social and economic deprivation, where opportunities for creative and cultural engagement are often limited. The development of the Blyth Culture Hub responds to a need to attract families as part of the re-energising of the town centre. It equally responds to a number of social and economic challenges, including reducing child poverty.

Proposed initial response of the Council

Based on the findings of the independent Review, the Council is minded to establishing inclusion-focused agreements with those organisations within the Cultural Investment Portfolio whose areas of specialism, expertise in engagement, track record and future plans have a synergy with the Council's ambitions for inclusion.

As part of this initial response, the Council will separate out the core funding contribution afforded to The Maltings Trust from the visual arts and dance components it also receives. As such, the subsequent agreements associated with this investment will better reflect the delivery arrangements by the cultural anchor organisations working in partnership.

In addition, the Council will make provision within the Cultural Investment Portfolio for a contribution to integrate a consistent, high quality early years creativity offer at Blyth Culture Hub. The agreement with the subsequent provider will consider ways in which the offer at Blyth can be delivered at venues elsewhere in the county to extend its reach and impact.

Appendix 3: Proposed budget approach to revising the Investment Portfolio

		2022/23	Saving	2023/24	Saving	2024/25	Saving	2025/26	Total Saving	
Engagement in Museums and Heritage										
Museums Northumberland	Lower	655,185	65,519	589,666	57,500	532,166	56,400	475,766	179,419	27%
	Upper	655,185	65,519	589,666	84,400	505,266	84,400	420,866	234,319	36%
Hadrian's Wall WHS		35,000	0	35,000	-5,000	40,000	0	40,000	-5,000	
Bailiffgate Museum		17,498	1,750	15,748	0	15,748	0	15,748	1,750	
Sub-total	Lower	707,683	67,269	640,414	52,500	587,914	56,400	531,514	176,169	
	Upper	707,683	67,269	640,414	79,400	561,014	84,400	476,614	231,069	
Place-Based Cultural Anchors										
Queen's Hall Hexham		95,778	9,578	86,200	0	86,200	0	86,200	9,578	
The Maltings Berwick		80,414	8,041	72,373	0	72,373	0	72,373	8,041	
Alnwick Playhouse		58,325	5,833	52,492	0	52,492	0	52,492	5,833	
The Phoenix Theatre		40,828	4,083	36,745	0	36,745	0	36,745	4,083	
Sub-total		275,345	27,535	247,810	0	247,810	0	247,810	27,535	
Inclusion in Arts and Culture										
Early Years facility, Blyth Culture Hub		0	0	0	-40,000	40,000	-20,000	60,000	-60,000	
Hexham Book Festival		24,302	2,430	21,872	0	21,872	0	21,872	2,430	
Dance (Cultural Anchors partnership delivery)		24,302	2,430	21,872	0	21,872	0	21,872	2,430	
Visual Arts (Cultural Anchors partnership delivery)		14,858	1,486	13,372	0	13,372	0	13,372	1,486	
Berwick Film and Media Festival		9,720	972	8,748	0	8,748	0	8,748	972	
Headway Arts		9,720	972	8,748	0	8,748	0	8,748	972	
Mortal Fools		9,720	972	8,748	0	8,748	0	8,748	972	
Highlights Rural Touring		9,720	972	8,748	0	8,748	0	8,748	972	
Theatres Sans Frontières		1,220	122	1,098	0	1,098	0	1,098	122	
November Club		9,720	2,916	6,804	6,804	0	0	0	9,720	
Network Artists		775	233	542	542	0	0	0	775	
Sub-total		114,057	13,505	100,552	-32,654	133,206	-20,000	153,206	-39,149	
Total	Lower	1,097,085	108,309	988,776	19,846	968,930	36,400	932,530	164,55	15%
	Upper	1,097,085	108,309	988,776	46,746	942,030	64,400	877,630	219,45	20%