



**Joint Committee for the North of England Open
Air Museum**

Date **Friday 28 March 2014**
Time **11.00 am**
Venue **Collections Study Room, Regional Resource Centre,
Beamish Museum, Beamish**

Business

Part A

- 1.** Minutes of the Meeting held on 15 November 2013
(Pages 1 - 4)
- 2.** Review of 2013/14 and Priorities for 2014/15 -
Presentation of Museum Director
- 3.** Agreement to Dissolve the Joint Committee - Financial
Governance Arrangements - Report of the Treasurer and
the Museum Director (Pages 5 - 10)
- 4.** Such other business as, in the opinion of the Chairman of
the meeting, is of sufficient urgency to warrant
consideration.
- 5.** Any resolution relating to the exclusion of the public
during the discussion of items containing exempt
information.

Part B

**Items during which it is considered the meeting is not likely to
be open to the public (consideration of exempt or confidential
information).**

6. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Secretary to the Joint Committee

County Hall
Durham
20 March 2014

To: The Members of the Joint Committee

Councillors Batey, J Bell, R Bell, Blakey, Buckham, Carr, Conway, Hicks, Iveson, Jewell, Lethbridge, Maitland, C Marshall, Milburn, Morrison, Oliver, Shuttleworth, Stoker and Todd (Durham County Council), Councillors B Goldsworthy, Green and Wallace (Gateshead MBC), Councillor Cowie (North Tyneside MBC), Councillors Cunningham and Maxwell (South Tyneside MBC), Councillors Bell, Fletcher, Jackson, Kelly, Richardson, J Scott, Trueman, Turton and Walker (Sunderland City Council)

Co-opted Members (Non-Voting)

Friends of Beamish – Mr A Ashburner and Mr M Dix

**JOINT COMMITTEE FOR THE NORTH OF ENGLAND
OPEN-AIR MUSEUM**

At a Meeting of the Beamish Joint Committee held in the Collections Study Room, Regional Resource Centre, Beamish Museum, Beamish on **Friday 15 November 2013** at **10.00 am**

Present:

Councillor C Marshall (Chairman)

Members of the Committee:

Councillors A Batey, J Blakey, I Jewell, J Lethbridge, O Milburn, S Morrison and R Todd (Durham County Council)

Councillors J Wallace (Gateshead Council), A Cowie (North Tyneside Council), F Cunningham and N Maxwell (South Tyneside MBC), J Jackson, D Richardson and P Walker (Sunderland City Council)

Co-opted Members (Non-Voting)

Friends – Mr M Dix

1 Apologies for Absence

Apologies for absence were received from Councillors J Bell, R Bell, Buckham, Carr, Conway, Hicks, Iveson, Maitland, Oliver, Pemberton, Shuttleworth and Stoker (Durham County Council), Goldsworthy and Green (Gateshead Council), R Bell, Fletcher, Kelly, Scott, Trueman and Turton (Sunderland City Council), Mr Ashburner (Friends) and Mrs Stewart (BDT).

The Museum Director also gave his apologies for the meeting as he had been called away on urgent Museum business.

2 Minutes of the Meeting held on 20 September 2013

The minutes of the meeting held on 20 September 2013 were confirmed as a correct record and signed by the Chairman.

3 Museum Update - Report of Museum Director

The Joint Committee received a report from the Assistant Director, Engagement that gave an update on Museum business (for copy see file of Minutes).

Performance – The Museum were 17% up on visitor numbers and 15% up on admissions income from the previous year up to the end of September 2013. Visitor numbers were very good in October despite the poor weather and on 2 November 2013 the Museum passed the milestone of 500,000 visitors. A review of catering and retail is taking place. Attendances had been excellent at the Halloween and Bonfire Night events with all evenings sold out. All evenings for the Christmas event had also sold out.

The Assistant Director highlighted the following:-

- 2014 Opening Times and Events List
- IIP has been awarded following a review on site
- 0-37 hour contracts – a review has taken place with managers & team leaders trained to distribute hours fairly. The Assistant Director advised the Committee that the Board had agreed a new rate of pay for manual workers and as their skills developed their pay would increase on a points system
- Review of Governance – waiting for Local Authorities to agree the revised memorandum/ articles of association. The first Regional Stakeholder Group was held on 25 October with good participation from across the region. Apologies were given to Mr Dix as he had not received an invitation to the meeting. The Chairman said that the membership of the group was not set in stone and would be flexible to respond to the needs of the Museum and the culture of the region.

Resolved:-

That the report be noted.

4 'Remaking the Living Museum 1820-1950' HLF Project Application November 2013 - Presentation from the Museum Director

The Assistant Director, Engagement gave a detailed presentation entitled 'Remaking the Living Museum 1820-1950' HLF Project Application November 2013 (for copy see file of Minutes).

The Assistant Director summarised the key points from the plan for each area of development that will form the Heritage Lottery Fund Bid to be submitted at the end of November. The Chairman added that work was underway to secure the guarantor from local authorities that would support the application. It was felt that this would be critical to the bid as

competition was extremely fierce. Senior Financial Managers from Sunderland City Council and Durham County Council have been approached to share the £4.5m risk. The Chairman added that he was confident this would be in place, if not at the end of November, by January 2014.

Resolved:-

That the HLF bid for the Development Plan be endorsed.

5 Development of Beamish's Learning Programmes for Schools - Presentation by the Head of Learning

The Head of Learning gave a detailed presentation regarding the Development of Beamish's Learning Programmes for Schools (for copy see file of Minutes).

The Head of Learning summarised the work carried out for Engagement and Learning Activities including projects for:-

Puffing Billy – community and school work carried out in Wylam to commemorate the introduction of steam;
Immersion work with evacuees programme of events;
WW1 – work with secondary schools about the motivation to 'sign up' using real stories.

Major Partner Museums – all partnership work was progressing well:-

DLI Museum – training elements offered and next steps explored;
Killhope Museum – developed 'Boom or Bust' project and next steps explored;
Bowes Museum – developed KS1 delivery – waiting for feedback & will roll out.

Members suggested that local history for Beamish is used for learning purposes when the timing was right. The Head of Learning agreed and said that all learning projects used real stories so that students could research and become immersed into the story telling.

In relation to a question about youth project work, the Head of Learning explained that the Museum do work closely with Youth Groups. He suggested that it might be advisable to invite youth group leaders to the Museum to show what they could offer as not all youth groups will be aware of the projects taking place.

Following a suggestion that the Museum may want to become involved in a project about the 'First Lady Banner', the Assistant Director advised that she would pass the information to the Head of Community Development.

The Head of Learning concluded that the Museum would continue to develop learning and community programmes through the development plan, bringing together the skills required and through working together.

The Committee thanked the Head of Learning for a very enthusiastic and detailed presentation.

6 Dates of Future Meetings

The Chairman advised that dates for future meetings would be agreed in consultation with the Museum Director and circulated in due course. He added that it was likely that the last Joint Committee meeting would be held in March 2014.

7 Exclusion of the Public

Resolved:-

That under Section 100 A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the said Act.

8 Capital Project Report No. 2 November 2013 - Report of the Museum Director

The Joint Committee received a report from the Museum Director that provided an update on the variations and funding for Capital Projects (for copy see file of Minutes).

Resolved:-

That the recommendations within the report be approved.



JOINT COMMITTEE – 28th March 2014

AGREEMENT TO DISSOLVE THE JOINT COMMITTEE - FINANCIAL GOVERNANCE ARRANGEMENTS

REPORT OF THE TREASURER AND THE DIRECTOR

1. Purpose of the Report

- 1.1 At a meeting held on 5th July 2013, Members approved a draft agreement to disband the Joint Committee and hand over responsibility for management of the Museum to Beamish Museum. Members also approved the decision to surrender the existing lease with Sunderland City Council dated 25th May 2001 in consideration of Durham County Council granting a new 50 year lease to Beamish Museum.
- 1.2 The purpose of this report is to provide an update on the agreement to disband the Joint Committee and to outline the financial governance arrangements relating to the accounting and auditing processes once the Joint Committee is dissolved.

2. Agreement to Dissolve the Joint Committee

- 2.1 Following the meeting held on 5th July 2013, the Constituent Authorities considered the Draft Agreement and agreed to submit a report to dissolve the Joint Committee (under the terms outlined in the Draft Agreement) at each of their respective Cabinet/Committee meetings.
- 2.2 The Secretary has confirmed that all but one of the Constituent Authorities have now formally approved the proposal to dissolve the Joint Committee on 31st March 2014.
- 2.3 As a result, Members will need to appoint a body to assume responsibility for the transitional arrangements relating to all financial accounting and audit issues as the Joint Committee will cease to exist after 31st March 2014. Members are recommended to approve that the Treasurer of the Joint Committee (Sunderland City Council) assumes responsibility for all transitional financial arrangements and compliance with the statutory

accounting timetable once the Committee is dissolved. Durham County Council will continue to be responsible for ongoing legal advice.

2.4 Sunderland City Council will be responsible for the following financial processes and procedures, which are outlined in greater detail in the remainder of the report:

- Closedown of the accounts for the financial year 2013/2014
- Production of the Revenue Outturn 2013/2014
- Completion and approval of the Annual Return (Subject to Audit) including the Annual Governance Statement before the 30th June statutory deadline
- Compliance with the date for Exercise of Public Rights (as notified by the Auditors)
- Ensuring all documentation is forwarded to the External Auditor by the audit date
- Completion and approval of the Annual Return before the 30th September statutory deadline

3. Closedown of Accounts 2013/2014

3.1 The Joint Committee is not a body corporate, it is a Joint Arrangement Not an Entity (JANE). The assets or liabilities, including any reserves, are therefore not owned by the JANE, they are actually owned under this arrangement by the Constituent Authorities.

3.2 The fixed assets including land, buildings and the permanent collection in its entirety will be leased to Beamish Museum under the terms of the 50 year lease and will be included on the Balance Sheet of Beamish Museum. All other assets and liabilities including debtors and creditors identified during the closedown process will be transferred to Beamish Museum.

3.3 Historically, all of the Joint Committee's cash transactions have been accounted for via Sunderland City Council's bank account as the Joint Committee does not have its own bank account. The cash balance as at 31st March 2014 may be a debit or credit balance depending upon the timing of receipts and payments that are made during the remainder of the financial year. The cash amount, once finalised, will be transferred to Beamish Museum.

3.4 As at 1st April 2013 the Joint Committee had a deferred liability of £189,436 relating to historic loans taken out by Sunderland City Council on behalf of the Museum. It's estimated that the Joint Committee will incur debt charges of approximately £14,000 for the financial year 2013/2014 in relation to this debt, resulting in an outstanding liability of £181,859, as at 31st March 2014.

3.5 As at 1st April 2013 the Joint Committee also had a deferred liability of £416,667 relating to an outstanding balance of an EIP loan which is being repaid over 15 years and is due to be repaid by 2025/26. The Joint Committee will incur debt charges of £47,771 for the financial year 2013/2014 in relation to this debt, resulting in an outstanding liability of £383,334, as at 31st March 2014.

3.6 The budget estimate approved by the Joint Committee on 15th March 2013 forecast a break-even position at the year end based on a contribution from reserves of £50,731. If the actual contribution from reserves for 2013/2014 is £50,731, then the Revenue Reserve would be reduced from £74,293 to £23,562.

4. Reserves

4.1 As at 1st April 2013 the Joint Committee held the following Usable Reserves:

	£
Revenue Reserve	74,293
Capital Development Reserve	281,798
Joint Store Sinking Fund	9,000
Total	365,091

If the Joint Committee produced a deficit for the year of £50,731 as referred to at 3.6 above, the Revenue Reserve would be reduced to £23,562.

4.2 It has previously been agreed to commit an amount of £238,474 from the Capital Development Reserve to fund capital expenditure and this amount will be transferred to Beamish Museum. It is intended that any surplus balances on Usable Reserves as at 31st March 2014 will be used to pay off the outstanding historical debt of the Joint Committee referred to at 3.4 above as this will reduce the amount of annual debt charges payable by Beamish Museum.

5. Annual Return and Accounts Timetable 2013/2014

5.1 The Joint Committee is required to produce an Annual Return prepared in accordance with proper practices in relation to the accounts summarising their annual activities at the completion of each financial year end, in accordance with the Accounts and Audit Regulations 2003, as amended. It will therefore be necessary to produce a final Annual Return for the period 1st April 2013 to 31st March 2014. The Annual Return (Accounts) and all associated documentation and correspondence will be completed by Sunderland City Council.

- 5.2 The Joint Committee's accounts must be approved by Sunderland City Council (as the body designated to approve the accounts) by 30th June 2014. The Annual Return will also include an Annual Governance Statement signed off by Sunderland City Council to acknowledge that the governance requirements have been properly followed during the financial year.
- 5.3 The External Auditors (BDO LLP) can only commence the audit once the Annual Return (Subject to Audit) has been approved by Sunderland City Council and the appropriate statutory notice of inspection of the Annual Return has been given to the residents of Tyne and Wear.
- 5.4 The Statutory Notice of the audit of the accounts consists of two requirements. The first requirement is that a Notice must be advertised in an appropriate form 14 days before the period of inspection is to commence. The second requirement is that the period of inspection must span 20 working days as set out in the published Notice. During the inspection period the residents of Tyne and Wear have the right to inspect the accounts and financial records of the Joint Committee and can raise issues with the auditor if they so wish. The audit date (determined by the auditor) follows the end of the period of inspection and it is on this date that the residents of Tyne and Wear can raise any objections to the accounts.
- 5.5 The external auditors must complete their audit and the Audited Annual Return must be approved by Sunderland City Council before the statutory deadline of 30th September 2013 in accordance with the smaller relevant bodies' regulations.

6. Recommendations

6.1 Members are requested to:

- approve that the Treasurer of the Joint Committee (Sunderland City Council) assumes responsibility for all transitional financial arrangements and compliance with the statutory timetable once the Committee is dissolved as detailed at paragraph 2.3;
- note the financial processes and procedures that will be carried out by Sunderland City Council during the transitional period as shown at paragraph 2.4;
- approve the transfer of fixed assets and all other assets and liabilities to the Balance Sheet of Beamish Museum, following the

completion of accounts closedown, as detailed at paragraph 3.2

- approve the transfer of the cash balance to Beamish Museum, as detailed at paragraph 3.3;
- note the position regarding the deferred liability of the Museum as outlined at paragraphs 3.4 and 3.5;
- approve the proposal to transfer the remaining balances of Usable Reserves to Sunderland City Council to reduce outstanding debt, as detailed at paragraph 4.2;
- note the requirements of the statutory timetable for the completion of the Annual Return and Accounts, and the role of Sunderland City Council as the signatory.

Sonia Tognarelli
Treasurer

Richard Evans
Director

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