



# Context – Winchester Discovery Centre



- Winchester Discovery Centre is Hampshire's busiest library and is an important community hub, providing a safe, accessible and inclusive space for individuals and groups to meet, learn and discover. It includes:
  - A modern two-storey library, with space for reading and quiet study
  - A separate children's library
  - Free 'Go-Online' public computers, printing and copying facilities, and free wi-fi
  - Library self-service kiosks
  - Two public art galleries, both operated by Hampshire Cultural Trust
  - A 180-seat Performance Hall, with flexible seating making it suitable as a 200-capacity conference venue
  - A café/bar, currently operated by Hampshire County Council Catering Services (HC3S)
  - Accessible space for community groups to meet
  - Hireable rooms for clubs and societies
  - Spaces let to community organisations on a leasehold basis
  - A small retail area selling literary gifts and cards
  - Free public toilets, including a Changing Places accessible toilet.
- The Discovery Centre attracts over half a million visits and a quarter of a million issues per year. It is the third most visited county library in the Country.
- The Library Service incurs costs of around £830,000 each year to run WDC (expenditure is £1.03 million, and income is c£200,000).

# Context - HCT

- Set up in 2014 by HCC & WCC, Hampshire Cultural Trust is the largest independent cultural trust in England and the largest county-wide cultural organisation in Hampshire.
- HCT operates 23 venues including museums, 3 arts centres hosting comedy, music and theatre and 3 Government Indemnity Scheme (GIS) art galleries in Winchester, Basingstoke and Gosport
- Since 2014 HCT has absorbed a 30% reduction in LA funding (£1.2M p/a) whilst increasing earned income by 44% and raised over £5M in external fundraising
- HCT has invested over £450K in HCC / WCC venues since 2014 and generated a modest surplus in each year since 2014 which, along with central government support, has been critical in mitigating the financial cost of Covid-19 in 2020/21
- HCT operates 'The Gallery' and 'City Space' within the Winchester Discovery Centre welcoming over 70,000 visitors to the galleries each year
- 'The Gallery' has hosted a programme of world class exhibitions and UK premiers since 2014 including 'Turner and the Sun', Jane Austen 200, the BP Portrait Award as well as showcasing up and coming artists and self-curated exhibitions from HCC and WCC collections
- HCT has gained a strong reputation for digital investment, a commercial approach to pricing and promotion and high staff and volunteer engagement (achieved indicative placing as a Times Top 100 Not for Profit Organisation to work for in 2020)





# Proposed Operating Model

- A new partnership that will secure and develop WDC as a vibrant cultural, arts and learning centre for Winchester and its hinterland.
- The integration of all cultural aspects of WDC under one programming strategy, creating a unique cultural venue for Winchester's community that brings together those who are curious, creative and community minded.
- Hampshire Cultural Trust are the preferred partner.
- The proposal would see:
  - Operational control of the building being passed to HCT
  - HCT managing the space, operating the café and running the cultural programme
  - The status of Winchester Discovery Centre as a flagship library maintained and enhanced by this project.

**'To become a progressive centre for enjoyment, the expression of creativity, and the pursuit of learning for the people of Winchester and beyond.'**



# Commercial Principles

- The partnership aims to deliver financial benefits for both the Library Service and HCT.
- The proposed financial model will be governed by the following key commercial principles:
  - Over time, both parties should see financial benefits from the arrangements; HCT through the increase of income generated by activity and HCC through the reduction in costs (and longer term reduction in grant levels)
  - In the initial set up phase (Year 0) there will be a need to increase expenditure to 'pump-prime' the project
  - In year 1 (2022-23) each party will break even, and be no worse off than the current position
  - By year 2 (2023-24), both parties should be seeing financial benefits
  - In year 3 and beyond (2023-24) the financial position will be assessed and the grant arrangement will be reviewed.
- HCT will carry the commercial risk and responsibility for growth in income to achieve its financial benefit and return on initial investment, whilst HCC will provide a grant for the first three-year period ensuring future financial certainty. HCC and HCT will make a significant initial capital investment into the scheme and HCC will continue to bear running costs for Library Services. For its part, HCC carries the risk that it is not able to reduce its expenditure on library functions on the timescales envisaged by the financial model.





# Staffing Impacts

- The overall number of staff employed within the building will remain largely the same. Over the next 4 years the proportion employed by HCT will be higher, and the proportion employed by HCC will be lower.
- HCT staff will deliver 'front of house' services including visitor and café services, as well as the cultural programming.
- Staff providing library services will remain in the employment of Hampshire County Council to support the operation of the library element of the offer.
- HC3S staff will TUPE (transfer) to HCT where appropriate.
- Staffing levels will be monitored – HCC staffing reductions will be managed wherever possible through natural turnover; if, over time, reductions cannot be made through vacancy management, formal processes will be followed.
- New job opportunities and roles will be developed within HCT.



# Property Improvements

- Achieving the shared vision will require a range of improvements to the building.
- A scheme is currently being developed, funded largely through corporate capital, which includes the following:
  - Refurbished Café/Bar and WCs
  - Improvements to key spaces including the Children's Library and City Space gallery
  - Relocation of some library book stock to enable better flow throughout the building
  - Creation of welcoming space at the heart of the building or groups and individuals to relax and spend time, or to begin exploring the cultural programme on offer
  - Development of a new, unique brand identity for WDC that will encapsulate the exciting joint venture, including new signage and wayfinding within the space.
- Target completion date for the building works is February 2022, with an estimated cost of c£700,000.



# Summary of benefits

## Financial

- To provide financial benefits to both organisations, including significant annual efficiency savings by 2023-24.
- To secure operational efficiencies related to management of the building.
- To maximise the income generating potential of the building.
- To enable joint funding applications to Arts Council England and other funders.



## Customer

- To enhance the customer journey and experience (before, during and after their visit).
- To continue to grow a diverse cultural programme.
- To increase public access by increasing provision and extending opening hours.



## Organisational

- To secure the long-term viability of the venue.
- To grow participation and increase visitor numbers.





Stage	Activity	Status/target date
Stage 1	Development of vision and scoping of high level business case	Complete
Stage 2	Decision by Hampshire County Council and Hampshire Cultural Trust to proceed in principle  Communication with staff and Trade Unions  Agreement on Heads of Terms and Financial Model	March – April 2021
Stage 3	Development of phased transition and handover plan  Formation of partnership agreement with HCT  Commencement of statutory approvals and pre-construction phase for capital works  Construction phase for capital works  Enter into formal consultation with HC3S staff who are eligible for TUPE transfer to HCT  HCT to commence recruiting ‘Destination Winchester’ team to deliver cultural programme and operational duties.	2021-22, Q1 - Q2 (April – September)      2021-22, Q3 (October – December)
Stage 4	Construction handover and close-out  Building handover to HCT	Q4 FY 21/22 (February handover)
Stage 5	Monitor staff turnover and review of staffing levels  Review of financial performance and future funding model	2022/23 onwards

