

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Leader and Executive Member for Hampshire 2050 and Corporate Services
Date:	25 September 2023
Title:	Bursledon Windmill Future Management
Report From:	Director of Hampshire 2050

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Purpose of this Report

1. The purpose of this report is to consider a proposal received from Hampshire Cultural Trust (HCT) to cease operations at Bursledon Windmill and to set out recommendations in respect of such proposal and the venue's future management.

Recommendations

2. That the Leader and Executive Member for Hampshire 2050 and Corporate Services agrees to HCT's proposal to cease operations of Bursledon Windmill and to it serving notice to Hampshire County Council (County Council) to this effect under the terms of the Management and Funding Agreement (MFA) between the County Council and HCT.
3. That, subject to the approval of HCT's proposal to cease operations at Bursledon Windmill at paragraph 2 above, the Leader and Executive Member for Hampshire 2050 and Corporate Services agrees to the County Council serving notice on Hampshire Buildings Preservation Trust to terminate the lease of Bursledon Windmill.

Executive Summary

4. HCT manages and operates a portfolio of museums, arts centres, and cultural venues across Hampshire. One such venue is Bursledon Windmill. Hampshire County Council lease the windmill from Hampshire Buildings Preservation Trust and granted a Tenancy at Will to HCT. From this venue, HCT offers a range of activities, events, and tours.
5. Eastleigh Borough Council has provided financial support to the venue since HCT's operation of the venue commenced in 2014/15, however notification of a termination on the funding agreement was provided in February 2023 and funding was withdrawn from August 2023. In the interim period, HCT has explored opportunities to find an alternative funding partner and/or to diversify revenue streams, both of which have proven unsuccessful.

6. Without important grant funding, the venue is not financially sustainable. Recovery from Covid-19 has been challenging. Annual visitor numbers of 1,910 for 2022-23 are still less than 50% of 2019-20. However, recovering visitor numbers alone to pre-pandemic levels wouldn't create a financially viable attraction principally due to a minimum level of staffing required to operate.
7. HCT engaged with Hampshire Buildings Preservation Trust to inform it of the risk of closure in June 2023. Since then, the two partners along with the County Council have been working collaboratively on Hampshire Buildings Preservation Trust's own appraisal of the future options.
8. In line with the terms of the MFA, HCT has engaged Eastleigh Borough Council and Winchester City Council on the proposal to cease operations at the venue.
9. Should the County Council agree to HCT's proposal, HCT would serve notice and seek to withdraw from the venue following the 6-month notice period prior to 31 March 2024. HCT would be required to develop and implement a plan for closure covering all important aspects of the withdrawal process.
10. Subject to this agreement, the County Council would seek to serve notice on Hampshire Buildings Preservation Trust, fulfilling its obligations as lessee until the end of the agreed notice period.
11. The County Council and HCT would work collaboratively to implement the closure plan and ensure the withdrawal and hand back process is managed successfully in accordance with the terms of the lease between Hampshire County Council and Hampshire Buildings Preservation Trust.

Contextual Information

12. In 2014, the County Council (County Council) and HCT entered into an MFA under which the County Council transferred its services of the provision of arts, museum and heritage services at facilities within its administrative area to HCT and agreed to provide funding to HCT for the achievement of its charitable objects.
13. The County Council leases Bursledon Windmill from Hampshire Buildings Preservation Trust. The County Council granted HCT a Tenancy at Will for HCT to occupy Bursledon Windmill.
14. Bursledon Windmill – a grade II* listed building - has been a working windmill and heritage attraction since the 1990s. Under HCT's management and operation, the venue offers guided tours and the opportunity to learn about the history of the windmill as well as the country's milling history. A small shop offers a range of gift items, drinks and snacks are also available.
15. In February 2023, Eastleigh Borough Council terminated its funding agreement on Bursledon Windmill with HCT. The termination took effect from 7 August 2023, at which point financial support was withdrawn. Eastleigh Borough Council wished to provide continued in-kind support as well as stating that HCT could apply for ad-hoc grants for projects and events.

Finance

16. Grant income is an important contributor to the financial viability of Bursledon Windmill and has historically been provided by different funders including Bursledon Parish Council, Eastleigh Borough Council and the County Council through its core grant. Over the previous 4 financial years, HCT posted a marginal surplus position. However, HCT would have declared losses of circa £15,000 in each year had grant income been excluded.
17. Having provided over £18,000 annually to HCT since 2014, Eastleigh Borough Council, like many councils across the country, is seeking ways to balance budgets given the precarious state of public sector finances, particularly across local government. In 2022-23, funding was reduced to £14,000 before notification of the withdrawal of all funding was provided. This has created a deficit position for 2023-24 of circa £12,000.
18. In addition to HCT-specific costs to operate Bursledon Windmill, the County Council retains responsibility for utilities and repairs and maintenance. These costs are in addition to the annual positions referenced previously.
19. Scope to increase and diversify revenue streams, be it grants, donations or commercial opportunities, are limited and have been considered and/or explored to varying degrees since 2015 with limited success.

Performance

20. Bursledon Windmill's performance and community/social impact is limited. Annual visitor numbers peaked pre-pandemic at 4,261. Recovery has been particularly challenging at this venue for HCT with 1,910 visitors in 2022-23. Much of the footfall has been driven by events rather than general visitors to the venue.
21. Since operating the venue in 2014-15, HCT has sought to increase the commercial performance of the venue and its value to the community through a range of measures including annual tickets, events, venue hire including weddings, shop and café, etc. However, results have not been sufficient to achieve a cost-neutral position.
22. At the start of 2023, HCT commissioned Safety Geeks – an independent health and safety adviser - to undertake an audit of the windmill. The audit provided a range of recommendations and highlighted particular risks pertaining to staffing limitations and, similarly, risks associated with single point staffing failure. The current miller is the only person with the technical expertise to operate the mill and ensure measures can be taken to protect the mill and the general public during adverse weather. Upskilling additional staff was recommended but addressing the measures highlighted in the report is anticipated to exceed £20,000.
23. In the summer of 2021, extensive and essential repair works commenced to the windmill. The stocks and sails were removed due to the wear and tear of daily operation. In May 2023, the works were 'completed', however only the stocks were reinstated owing to risks identified by the audit referenced above. HCT was/is not able to mitigate the risks identified by the audit should the sails be reinstated. Work is ongoing to ensure the sails are protected over the medium term, in agreement with Hampshire Buildings Preservation Trust.

Options Appraisal

24. HCT has a duty to mitigate the risk of potential venue closures. HCT has undertaken its own investigation to find an alternative partner or funder which has been unsuccessful.
25. HCT engaged with Hampshire Building Preservation Trust in June 2023 to inform it initially of the risk of closure. Since then, HCT and the County Council have been supportive partners to Hampshire Buildings Preservation Trust as it undertakes its own options appraisal of the long-term options for the venue.
26. The cessation of the operation and withdrawal of HCT from the venue could be the catalyst to finding a new long-term operator. The County Council would continue to assist Hampshire Buildings Preservation Trust through this process as supportive partners, recognising the cultural and historical significance of the building.
27. Should a funding partner be forthcoming during the withdrawal period, HCT has indicated that it would review its decision and consider the opportunity to sustain the existing operation of Bursledon Windmill.

Legal

28. Under the terms of the MFA between the County Council and HCT, HCT is required to avoid possible closures wherever possible as a result of a reduction or cessation in district council funding, insofar as it is appropriate and reasonable. If avoiding closure is not possible, HCT is required to set out its proposal for the proposed closure and associated impacts to the County Council and no closure shall take place until the County Council has agreed and endorsed the proposed closure as set out by HCT.
29. The provisions of the MFA also require HCT to consult and agree the proposals for closure with Winchester City Council in its capacity as joint Founding Partner of HCT. HCT has shared its proposal and recommendations with Winchester City Council. Winchester City Council is currently reviewing the proposal.
30. Whilst HCT has identified Eastleigh Borough Council's withdrawal of funding as being a reason for this proposed closure, it is still required under the MFA to consult with it in its capacity as the relevant Borough Council. The Trust has shared its proposal with Eastleigh Borough Council and sought comments on the proposed closure as a result of the withdrawal of funding.

Withdrawal

31. Should the County Council agree to HCT's proposal to cease operations, HCT will serve notice on the County Council. The required notice period is 6 months under the terms of the MFA.
32. If, taking account of the supporting information and justification submitted by HCT, the Council agrees the proposed closure and notice of closure is served by HCT, it is proposed that the County Council serves notice on Hampshire Buildings Preservation Trust to determine the lease. This notice period is 12 months.

33. A plan for closure would be developed and implemented by HCT that covers all important aspects of the withdrawal process including staff, the collections, management and security handover, communications, etc. with an expectation to withdraw from the venue by 31 March 2024.
34. Unless agreement is reached with Hampshire Buildings Preservation Trust to align the cessation of notice periods, the County Council would manage the venue upon completion of HCT's notice period, fulfilling its obligations as lessee including in respect of repairs, maintenance, health and safety, security, etc. The County Council would cover its own costs during the notice period. Capital costs are possible, if necessary, to "rebuild, reinstate or replace" any part of the venue prior to hand back, as per the terms of the lease.

Consultation and Equalities

35. The local County Council member has been contacted for comment.
36. An equality impact assessment has been completed and identified a low negative impact on people with the protected characteristics of age, sex and also poverty. The assessment and mitigation for each is set out below:
 - a. Age - 30% of visitors to Bursledon Windmill are aged 35-44 and therefore would be impacted to a greater extent with reduced opportunities for affordable, local family-friendly activities and events.
 - b. Sex - 77% of visitors to Bursledon Windmill are female and therefore would be impacted to a greater extent with reduced opportunities for affordable, local family-friendly activities and events.
 - c. Poverty - Median household income is approximately 7% lower amongst a typical Bursledon Windmill visitor and therefore would be impacted to a greater extent with reduced opportunities for affordable, local family-friendly activities and events.
37. The mitigations for each are as follows:
 - a. It is unclear whether there will be a need to close the venue temporarily - if not, there will be no negative impact.
 - b. Visitor numbers to the Windmill are low in comparison to other venues with 1,910 attending in 2022/23, therefore the percentage of people that would be affected is very low.
 - c. Other cultural venues, including The Brickworks Museum, are available in close proximity, plus other venues including country parks.

Climate Change Impact Assessments

38. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

38. The provision and future management of Bursledon Windmill is not anticipated to have any impact on carbon emissions or resilience of the venue.

Climate Change Adaptation

39. Climate change adaptation considerations, including heatwaves, flooding, storms, etc., are not anticipated to be influenced by this venue ceasing to be a cultural attraction open to the public or the County Council terminating its lease of the venue and therefore the adaptation tool was not considered relevant to this decision report.

Carbon Mitigation

40. This venue ceasing to be a cultural attraction open to the public and the County Council's proposal to terminate its lease of the venue is not anticipated to directly influence carbon emissions and therefore the mitigation tool was not considered relevant to this decision report.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

An equality impact assessment has been completed and identified a low negative impact on people with the protected characteristics of: 1) age; 2) sex; 3) poverty. The assessment and mitigation for each is set out below:

- a. Age - 30% of visitors to Bursledon Windmill are aged 35-44 and therefore would be impacted to a greater extent with reduced opportunities for affordable, local family-friendly activities and events.
- b. Sex - 77% of visitors to Bursledon Windmill are female and therefore would be impacted to a greater extent with reduced opportunities for affordable, local family-friendly activities and events.
- c. Poverty - Median household income is approximately 7% lower amongst a typical Bursledon Windmill visitor and therefore would be impacted to a greater extent with reduced opportunities for affordable, local family-friendly activities and events.

The mitigations for each are as follows:

- a. It is unclear whether there will be a need to close the venue temporarily - if not, there will be no negative impact.
- b. Visitor numbers to the Windmill are low in comparison to other venues with 1,910 attending in 2022/23, therefore the percentage of people that would be affected is very low.
- c. Other cultural venues, including The Brickworks Museum, are available in close proximity, plus other venues including country parks.