



**Oversight and Governance**

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Published 31 August 2018

## **Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee Supplement Pack One**

Wednesday 5 September 2018  
2.00 pm  
Warspite Room, Council House

**Members:**

Councillor Morris, Chair

Councillor Fletcher, Vice Chair

Councillors Buchan, Carson, Churchill, Cook, Mavin, Stevens and Wheeler.

Please find attached for your consideration, additional information relating to agenda items 6, 8 and 9.

**Tracey Lee**  
Chief Executive

## **Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee**

- 6. The Box Exhibition Fit Out Contractor's Appointment and Project Refinancing (Pages 1 - 16)**
- 8. Visitor Plan Refresh 2020-2030 (Pages 17 - 28)**
- 9. Brexit - Impact on Higher Education (Pages 29 - 34)**

**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	The Box Exhibition Fit Out Contractor's Appointment and Project Refinancing.
<b>Committee:</b>	Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee
<b>Date:</b>	5 September 2018
<b>Cabinet Member:</b>	Councillor Peter Smith, Deputy Leader
<b>CMT Member:</b>	Anthony Payne, Strategic Director for Place
<b>Author:</b>	Gareth Simmons, Strategic Projects Director
<b>Contact details</b>	Tel: 01752 307161 Email: gareth.simmons@plymouth.gov.uk
<b>Ref:</b>	20180905
<b>Key Decision:</b>	Content refers to a Key Decision.
<b>Part:</b>	I

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**Purpose of the report:**

The purpose of this report is to inform the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee of the progress of the Box Programme. This report will outline the work completed since the last scrutiny on the 19th April 2017 and consider how the aspiration for the programme has grown. The report follows a site visit to the developing construction site on the 20<sup>th</sup> July 2018.

This report also seeks to set out in advance of the October Cabinet, the nature of the capital decisions that will need to be made on letting the major exhibition fit-out contract and managing the remaining construction works contract.

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**Corporate Plan****A GROWING CITY**

The proposals are aimed at stimulating and meeting the demand for a growing visitor economy in Plymouth. The proposals are targeting a growth in the visitor numbers to the museum from 80,000-100,000 per year to 250,000 per year. The proposals will demand and generate high quality jobs with valuable skills in the construction and visitor economies. The proposals for the building and the public realm will achieve a high quality experience that cleans up run down and neglected sections of the city. We will create a new service that will be a regional showcase for the delivery of cultural services and, in doing so, give confidence to external agencies such as Arts Council England and The National Archives. It will act as a positive showcase of the Plymouth brand in the public realm. The Box programme is being recognised as a cultural offer that is of local, regional, national and international interest in a city growing in importance.

The Box will:

- Deliver quality jobs and valuable skills, in both the construction market but long term in the visitor economy
- Improve the city as a place to live
- Improve the street scene environment by transforming a tired back street into a major public square that promotes a vibrant city life
- Increase levels of investment from external national funders
- Be a more commercial venture seeking to balance the books
- Replace aging and failing cultural buildings regenerating the cities infrastructure.
- Create another reason for Plymouth to be seen as a destination
- Motivate a skilled workforce in both the construction, heritage and the visitor economy
- Be a regional museum and art venue hub, setting the direction for the South West

### A CARING CITY

This project will create a safe place for children, young people and adults. The proposals will address existing shortcomings that are a barrier for some groups from entering a number of buildings that currently house the city's cultural collections. For the first time there will be non-discriminatory access to Plymouth's heritage. We will ensure that the galleries represent a range of voices and are truly inclusive. The programme aims to focus on the work to develop Plymouth as a dementia friendly city. The project will transform the management and provision of an already outstanding arts and heritage offer for residents and visitors alike. The proposals will deliver an improved learning programme for schools and young people, and will focus on the communities in the city.

The Box will:

- Amongst others, offer exhibitions and services that focus on dementia, making it a dementia friendly location
- Offer a safe location for children and adults to visit
- Offer high specification facilities to boost the city as an inclusive community
- Work constructively with audiences and stakeholders so reaching over 100,000 people in its consultations
- Adapt the Arts and Heritage Service to offer even higher quality services focused on customers' needs
- Develop new ways of working to reach wider audiences
- Listen to people through consultation and respecting their wishes
- Demonstrate that the Council is making decisions driven by citizen wishes

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

There is a current commitment of £37.735m in the council's budget of which £33.765m is with in the capital programme and £3.970m is within the revenue budget. Grant funding of £22.406m has been secured.

This report seeks to set out in advance of the October Cabinet, the nature of the financial decisions that will need to be made on letting the major exhibition fit-out contract and managing the remaining construction works contract.

Whilst some costs have been value engineered and others curtailed, the main thrust has been to retain scale, quality and time. It is inevitable therefore that the costs of the Programme will rise and the report to Cabinet in October 18 will reflect this.

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**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

The current buildings used to store the collections are not fit for purpose and there are a number of health and safety matters that will be improved with this programme of investment. The construction projects for both the building and the exhibition involve a number of high risks, so it has been important that professional support has been appointed at all stages of the project to be mindful of the hazards.

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes

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**Recommendations and Reasons for recommended action:**

It is recommended that the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee, consider the content of this report along with the answers to questions of Members and Officers on the 5<sup>th</sup> September 2018 and makes recommendations for Cabinet to consider as decisions are taken in October 2018.

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**Alternative options considered and rejected:**

Throughout the Box programme options have been considered at every stage. Chiefly, at this stage in the programme, the key options are whether to cut back on the programme and accept it delivers less, its scope is less ambitious and the impacts of benefits are reduced; or whether to push ahead with the ambition of truly making a step change in the cultural offer in the city and deliver a visitor attraction and Arts and Heritage service that the city can be proud of. To date, the option of reducing ambition to curb costs has been rejected.

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**Published work / information:**

[3 September 2013 Cabinet paper](#)

[Published decision of decanting dated 31 July 2015](#)

[Published decision to appoint Atkins dated 10 October 2014](#)

[13 October 2015 Cabinet Paper](#)

[Published Executive Decision 4 April](#)

[Published Executive Decision 15 July](#)

[8 November 2016 Cabinet Paper](#)

[17 June 2017 Executive Decision](#)

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Equalities and Impact Assessment	Yes									

**Sign off:**

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Originating SMT Member Anthony Payne, Senior Responsible Officer David Draffan													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

## 1. Introduction

The purpose of this report is to inform the Scrutiny Committee of the progress of the Box Project. This report will outline the work completed since the last scrutiny in April 2017 and consider how the aspiration for the project has grown. This report will also seek to set out in advance of the October Cabinet the nature of the capital decisions that will need to be made on letting the major exhibition fit-out contract and managing the remaining construction works contract.

## 2. Background

- 2.1. The Box, originally known as the History Centre, has been a key city priority since 2013, when the council decided to make a major Heritage Lottery Funding application to conserve and improve access to the city's heritage assets.
- 2.2. The Box brings together a unique combination of cultural partners and heritage collections including the City Museum and Art Gallery, the Plymouth and West Devon Record Office, the local history collections of the Central Library, the South West Film & Television Archive, the South West Image Bank, Plymouth University (including Peninsula Arts), the Naval Heritage Centre, the British Broadcasting Company and Plymouth College of Art.
- 2.3. The Box project will create a major cultural statement and make a step change for the Plymouth cultural sector. It will provide a new cultural attraction that supports the targeted increase in tourism in the city and the region. It is estimated that it will support just over 500 additional jobs in the tourism industries and will increase visitor numbers from 100k to the old museum and art gallery to 250k per annum in a steady state.
- 2.4. Even more fundamentally however the Box project will create a major heritage and cultural asset for the people of Plymouth reflecting their stories, their histories and their collections.

## 3. Community engagement programme

- 3.1. Since the closure of the City Museum and Art Gallery in September 2016 an ambitious community engagement programme (Box on Tour) has been underway to test out ideas, consult on designs, reach out to new audiences and maintain our existing audiences – see appendix A for a detailed list of the events and activities delivered since the 1<sup>st</sup> January but in summary it has reached nearly 41,500 people and has attracted over 5,800 volunteer hours this year alone.
- 3.2. Funded largely by the Heritage Lottery Fund the Box on Tour community engagement programme has been underpinned by the creation of two new temporary venues. The first opened in January 2017 on the ground floor of the Council House creating a temporary gallery for a programme of displays including the very popular At Home with Beryl Cook and a display on the blitz and reconstruction of Plymouth in the 1940s and 50s. This ran throughout 2017 closing in December, and the second venue was opened in January 2018 on the top floor of the House of Fraser where it remains to date attracting an average of 750 visitors each week to its displays. To mark the 70<sup>th</sup> anniversary of the NHS this year we also opened a 3<sup>rd</sup> smaller object display inside Derriford Hospital's main entrance and new Outpatient's waiting room as part of the wider NHS70 programme. Outside these venues the Box on Tour programme has three main strands:
  - 3.2.1. Community programme: four projects are currently underway designed to target a range of key Plymouth audiences and community groups. **Maker Memories** is a partnership project exploring a smaller corner of SE Cornwall that has existed as a military camp, a holiday camp for Plymouth's and more recently an arts and cultural hub. Oral history recordings, films and photographs have been brought together as part of a touring exhibition currently on display at House of Fraser, and will go into Photo Album as one of the community response displays.

**Plymouth after Dark** is a major four year project that will result in a large exhibition at The Box in 2021. The project will again include oral history recordings, active collection of objects that reflect Plymouth's fascinating and varied nightlife and explore the roles that support workers play

in facilitating our nights out. Specific pieces of work within the project will aim to engage a broad audience (our 'Family Rave' attracted 500 family participants – see photograph below) through activities such as a schools project exploring alcohol use in young people, marginalised and vulnerable people's experiences of the city, sex workers and the role immigration has played on our cities night time landscape.



**Your Recipes, Your Heritage** aims to explore our eating habits and fashions over just the past century, using food as a medium for engagement. This partnership project with the meals on wheels service, CaterEd, will delve into the personal recipe books of the people of Plymouth to create some new and exciting heritage themed menus. The project will tackle social isolation and create valuable opportunities for people of all ages to come together to share both meals and stories.

**Plymouth Roots** will work in partnership, potentially with Kew Gardens, to explore the city through its flora and fauna, often brought here from around the world. The project will offer a variety of opportunities for participants that will encourage positive outcomes on their health and wellbeing (complementing our existing Arts and Minds group for people living with dementia and their carers), alongside practical gardening support and shared experience

3.2.2. Informal learning programme: the priority in this strand has been to test out and develop self-directed learning opportunities that will complement the emerging new collections-based galleries (see section 4 below). This has included the development of the 'Explorer Coat', the



'Collecting Coat' and associated programme of 'Ten Minutes Tales' – sessions where families can drop-in to handle original artefacts, hear stories about collectors or collections or experience new or unexpected insights into the Box.



3.2.3. Formal Learning programme: the 3<sup>rd</sup> strand is the development of a new schools offer for KS1-5. Innovate Educate were contracted to undertake a two-phase consultation research programme – in phase one they worked with 29 Plymouth teachers and educators from KS1-5. All teachers and educators interviewed talked of the balance between cost, quality, added value, practicalities and quality of facilities when making decisions about external visits. Phase two has now begun to develop the revised offer based on earlier findings and will also include a new ‘Masterclass’ offer: day-long experiences for pupils across multiple schools with a range of experts that will focus on raising aspirations for less engaged pupils and enriching the offer for talented pupils. . Three consultation sessions were delivered at BBC South West and Ocean Studios with a range of sector experts including RiO, dBs Music Plymouth and Wessex Archaeology, along with teachers and educators. Piloting of the new service will take place in 2019 with a full launch in September 2020.

**4. Exhibition**

**4.1. Content**

Collectively the local, regional, national and internationally important collections of The Box hold the content and stories that together describe the rich history of Plymouth and surrounding region and its impact on the wider world. And for some time there has been considerable anticipation as to how those stories would be told within the new galleries inside the Box. Since the last Scrutiny in April 2017 one of the major focuses of the programme has been to define and develop design proposals that match that ambition.

In summary The Box will contain 11 collection-based galleries and a further 5 programmable spaces including Peninsula Arts as part of the improved offer. Event Communications, one of Europe’s leading exhibition designers, have worked with the council to develop concepts and produce detailed designs for the collections-based galleries.

**4.2. Content**



4.2.1. The Box will contain 11 collections-based galleries and a further 5 programmable spaces including Peninsula Arts as part of the improved offer. Event Communications, one of Europe’s leading exhibition designers, have worked with the council to develop concepts and produce detailed designs for the collections-based galleries.

The following table sets out the agreed exhibition offer:

Event designed Galleries	Description
Mammoth Plymouth	Visitors will investigate the natural world of Plymouth and the southwest from the Ice Age to the present day. A full sized woolly mammoth will greet you in front of a mass display case of collections reflecting the region’s vast diversity of life in the past and today, on land and in the sea
Port of Plymouth	Visitors will be able to explore the last 3000 years of Plymouth as a maritime port and the way it has

	grown into the maritime and naval port of today. It will explain the importance of Plymouth Sound, one of the deepest natural harbours in the world, to this important story. Visitors will be able to explore Plymouth's global trade that brought so much wealth into the city over 500 years ago, the importance of fishing that still continues to this day and the impact of the navy and its relationship with the city for over 300 years.
100 Journeys	Plymouth has been the starting point from the earliest days of exploration for an extraordinary range of journeys to the farthest reaches of the globe. This gallery tells the stories of Drake, Cook, Darwin, Scott and many others who have left the port of Plymouth and changed the way we see and understand the world
Our Art	Visitors will be able to enjoy the 'stars' of the city's art collection and explore different forms of creative expression in Plymouth and the Southwest through a programme of changing displays – a panorama of the Plymouth coastline, and a glimpse into the creative practice of four well-known artists are planned for 2020
Mayflower	Explore the national Mayflower exhibition which is assembling the one of the largest number of Mayflower artefacts and loans from across the UK and US ever assembled. Visitors will be able to read about the passengers and their journey from the UK to Plymouth Mass, and to understand the social, cultural and political legacy of the Mayflower story
Media Lab	From the earliest innovations, Plymouth and the Southwest has been the focal point for media creativity. Using the largest film and television archive in the UK Media Lab will showcase the people who pioneer, create and experiment with film and media from the early photographic pioneers to the current digital creatives in the city
Photo Album	Using one of the largest photographic collections in the southwest visitors will be able to explore the 'family album' of Plymouth through changing thematic displays. This will be complemented by changing 'take over' display cases for different community groups who will give an insight into their personal stories and histories – 2020 will open with Maker Memories
Memory Box	Around the first floor balcony of the atrium will be series of 'encounters' of everyday objects that will trigger memories of day-to-day life in Plymouth.
Active Archive	Active Archives is an opportunity for visitors to discover the fascinating stories contained within the city's archives – visitors can chart how the city grew and changed over time or see how the records and manuscripts can provide an insight into the history of your family, your home and your surroundings.
Cottonian Reading Room	This modern take on a Georgian reading room will allow visitors to explore the breadth of the Box's collections whilst surrounded by displays of objects from the Cottonian collection, one of the greatest

	gifts given to Plymouth.
Figureheads	Fourteen figureheads from one of the largest collections in the UK will be suspended in an iconic installation in the Box entrance, restaurant and shop. The largest of these figureheads, King Billy as he is affectionately known, will greet visitors on their arrival.
<b>Temporary Exhibition Galleries</b>	
St Luke's	The restoration and conversion of St Luke's chapel of easement to a temporary exhibition gallery will create one of the largest 'government indemnity standard' spaces in the south west. It will be capable of hosting major exhibitions from national and international institutions as well as commissions and installations from major contemporary visual artists
Hurdle	The Hurdle gallery is a newly refurbished temporary exhibition gallery designed to house a range of smaller exhibitions from in-house curated shows to touring exhibitions to artists' responses
<b>Artists' response spaces</b>	
Creative Catalyst	Artists are being invited to use the original museum foyer to create thought-provoking and inspiring responses to the narratives, stories and collections within the new collections-based galleries.
Plaza	A new square for Plymouth is being created between the new entrance into the Box and St Luke's that will provide a mix of commercial, performance and orientation functions.

### 4.3. Exhibition Costs

- 4.3.1. The exhibition budget was £3.7m (excluding fees). However detailed estimates at the completion of detailed design, suggested that tenders would be received in excess of this budget figure.
- 4.3.2. The exhibition cost plan was received on the 21st February. This plan sets out an uplift from the budget of £2.5m when base build alterations fees and remaining excluded works were taken into account. This increase was not unexpected and Members were briefed on the overarching implications of the issue throughout.
- 4.3.3. Consideration was given in some detail in the very early part of 2018 to value engineering (VE) the exhibition proposals. A schedule of cuts were proposed and discussed with Members in some detail. However, there was little appetite for making the deep cuts that would be necessary to keep the exhibition on budget. It was felt that a reduced exhibition would destroy the programme's vision and potentially lose the value that the city is expecting to gain from the Programme. That said, the VE exercise enabled the programme team to curb unnecessary excesses and over £100k of costs savings on the exhibition were instructed.

### 4.4. Procurement

- 4.4.1. Detailed designs and production information have been prepared by Event Communication and the quantity surveyors P.T. Projects. Procurement for a fit-out contractor to deliver the set works, showcases, audio and visual interactives including hardware projection and software began in early June 2018. The procurement is European Union (EU, restricted procedure) compliant; and the Selection Questionnaire (SQ) stage was completed in July, when 5 specialist companies were chosen to bid for the Invitation to Tender (ITT). The tenders are due on the

11<sup>th</sup> September and the Council is expecting to have completed the evaluations and be ready to let a construction contract in early October 2018.

#### 4.5. Figureheads



4.5.1. The object conservation and installation sits outside the exhibition works contracts, and is managed directly by specialist staff in the Box team. The figureheads are not the only items that are being conserved for display, but are a major part of the work. An Interreg European funding project has been secured with 6 other partners and is contributing £150k to the projected £390k cost of conserving these giant wooden carvings. In order to achieve all the restoration in timescale the conservation has been split between three specialist companies across the south of England who are working together on what is a ground breaking project for the conservation sector.

4.5.2.

#### 4.6. Decisions

4.6.1. The programme to making the contract decision to appoint the fit out contractor is in the Council's forward plan, and is expected to follow the return from tender and be made early in October. Delegation of this decision had been made to the Director for Place, however with the expected increase in budget necessary, it will be a decision taken by Cabinet.

### 5. Construction Contract

#### 5.1. Progress

5.1.1. The construction contract was let to Willmott Dixon in June 2017 following an enabling work period. The contract is split into 4 phases of work so that the refurbishment elements can be handed over in advance to ensure the fit out delivery can be achieved within the time scale. The phases with their anticipated hand over dates are as follows:

Phase	Works	Completion	Expected Handover
1	The refurbishment and alteration of the old museum buildings.	May 2019	May 2019
2	The refurbishment of St Luke's	April 2019	March 2019
3	The Plaza public realm and external works	October 2019	October 2019
4	The new build extension and library refurbishment	October 2019	October 2019

5.1.2. Progress on site can be viewed at any time through the web cam that can be accessed at the following link [Site web cam](#). You will see from this that the construction works have just completed the largest double span cantilever in the country. The concrete frame has cured and the shuttering removed, to expose the impressive cantilever. The tapered duo-span cantilever forms the second floor archive with the primary cantilever spanning up to 7.7m, and the unusual secondary span reaches 2m in a perpendicular direction. It utilises the in-situ concrete walls as deep beams with additional stability provided by the concrete stair and lift core. The concrete frame is now being clad externally with a rain screen, and of course it is still to be loaded internally with over a million records, but the overhang is now



complete and has so far settled less than a millimetre.

5.1.3. Notice also the optical illusion of the acute angle on the Box. It appears as a square corner of a box with the wall below at an angle. In truth, the wall is square and the corner of the box is an acute angle.

## 5.2. Abnormal conditions

5.2.1. Conditions on site have proved very challenging. The refurbishment of St Luke's and the Edwardian parts of the museum and library have, despite extensive survey prior to the contract, required much more repair work than originally expected. Conservation items such as the stained glass windows, lead work, stone repairs and the old lime mortar rendering to St Luke's have all proved more extensive than the original surveys. Structural problems with the old library, St Luke's balcony support columns and St Luke's tower, have all needed substantial additional work as they have been uncovered throughout the works.

5.2.2. The design development on site has also been higher than would have been predicted. The design team with the contractor identified a number of provisional items that, at contract, were provisional sums because the design in one way or another was not detailed enough to fully price. Provisional sums are priced and agreed as works on site progress. The amount of design development and under estimation on the project has proved significantly higher than expected.

## 5.3. Change

5.3.1. It is common knowledge that construction significantly disturbed by change and the cost of change is never as competitive as the original tendered sum. The Box construction works have been disturbed by the changing fit out works, and in particular the new galleries and catering. These two elements have been on a design development programme that lagged behind the building design by a 12 month period. The full effect of the exhibition and catering changes to the design are still being worked through, however it is clear that a substantial amount of change for these items has been necessary and instructed.

## 5.4. Costs

5.4.1. The construction contract was for the sum of £22.666m excluding contingency. However in addition to this figure, allowances were made for contingency items where abnormal conditions would require expenditure. A figure of £1.1m was allocated just on 5% of the contract value for abnormal costs.

5.4.2. The Quantity Surveyors, Faithful+Gould, prepare a monthly cost report, that offers an anticipated final account figure, based on the instructions and potential changes that the contract administration team are aware of. These reports have been predicting a significant rise in the contract liability due to the abnormal, and change request items set out above.

## 5.5. Construction Social Impact

5.5.1. Willmott Dixon report monthly on their social impact achievements against the targets set in the contract. To date over 30 formal hard hat tours have been held with the public but also professional bodies promoting training opportunities including the Chartered Institute of Building (CIOB), Institute of Civil Engineers(ICE) National Inspection Council for Electrical Installation Contractors (NICEIC), Women in Property, Plymouth University & Construction Training SW.



5.5.2. Over 412 waged training weeks (apprenticeships) on site have been completed and 14 Industry Certifications have been achieved by workers on site while the works have been ongoing. The site is not only promoting Plymouth-based skills but is also targeting and delivering local workers so that it is not unrealistic to say that the Box is being built by the Plymouth workforce. Moreover 60% of the workforce lives within a 10 mile radius of the site and 77% are within a 40 mile radius so that 40% of the workforce walk, bus or cycle to the site.

## **6. Organisational Change and Service Restructure**

### **6.1. Transfer agreements**

6.1.1. Over the autumn 2017 the major transfers of South West Image Bank (SWIB) and South West Film and Television Archive (SWFTA) were planned and delivered. The legal agreements for the transfer contracts were signed and the staff TUPE transferred into the Council's employment. There are different arrangements for both organisations, with SWFTA choosing to close down meaning the ownership of the collections are transferred to the Council, while the SWIB, (owned by the Barbican Trust,) remains, so a 25 year loan agreement of the collections is to be formalised.

6.1.2. The Figureheads, owned by the Navy, are being transferred to the Nation Museum of the Royal Navy (NMRN) and agreements have been reached with the NMRN for a 25 year loan of these assets.

### **6.2. Organisational Development**

6.2.1. In preparation for the changed vision, values and culture of the new institution, the Council's OD team led three away days between September 2017 and February 2018 for all staff to help inform the shape of the new organization and the skills and experience required for the Box.

6.2.2. This was followed by a 2-day bespoke training programme led by Plymouth University's Enterprise Centre in March 2018 designed to encourage greater understanding between staff and how they can contribute to the Box

### **6.3. Phase I Staff Restructure: Senior Management Posts**

6.3.1. To achieve a step change in the cultural offer requires a substantial restructure in staffing for the Arts and Heritage Team. At the beginning of April 2018, an interim CEO was appointed to begin the restructure of staff. The first appointments were to create a senior management team of three posts as follows:

- Head of Contemporary Arts:
- Head of Commerce, Development and Operations
- Head of Heritage, Art and Film

6.3.2. These three posts were discussed and agreed with the Arts Council England as major funders of the service, who also helped with recruitment of the right candidates. The posts have been advertised and appointed. Currently the appointments are working out notice at their previous employment, but will be fully in post in the autumn 2018.



## 6.4. Phase 2 Staff Restructure

- 6.4.1. Consultation of the second phase of the staff restructure was launched on the 19<sup>th</sup> July and is ongoing until the 31<sup>st</sup> August.
- 6.4.2. The vision behind the restructure is to have the very best team across a number of inter-related areas of expertise: collections development and display, contemporary art exhibitions and commission, public engagement, learning and research, commercial development, marketing fundraising, business operations and administration.
- 6.4.3. The structure also recognises that it needs to be strengthened to deliver its considerable responsibilities that cover not just the operations of The Box but also those of the historic houses (Smeaton's Tower, Elizabethan House and Merchant's House), the city's strategic role for the development of arts and heritage and of the ongoing management of Mount Edgcombe, which is outside the scope of the restructure.

## 6.5. Reload

- 6.5.1. 'Reload' is the programme of activity that is planned over the last 12 months of programme up to opening in 2020. This is possibly the most challenging part of the programme for the service as it requires the public facing activities to go dark as the collections are moved from their current locations into the new facility. This includes the exhibition artefacts that require unpacking cleaning and mounting in their new cases.
- 6.5.2. 'Reload' will bring well over a million objects from 9 different locations around the city and involve the dismantling of the systems, including IT, that support these collections. This must be done in a way that tracks every object so that at no point is any object unaccounted for. It is a systematic move that needs to be planned like a military operation!

## 6.6. Operation

- 6.6.1. With 581 days to go before opening, it is essential that the Box Programme moves into a different phase of working. The work streams focus has been in designing and managing the major contracts. However it is recognised that with the staff restructure, appointments are being made for staff that will be responsible for running the Box when it opens. It follows therefore that the governance of the Programme and the work stream leads are being transformed to focus on developing the operational plans. This is being set in place as the new senior management posts arrive over the autumn 2018 giving us 18 months to plan for the opening.

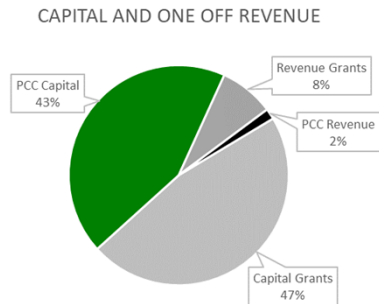
## 6.7. Catering and Retail

- 6.7.1. One of the more major pieces of work undertaken throughout the past year has been the development of the proposals for catering and retail. This has been supported by specialist advisors, Seeking State, appointed in summer 2017. After analysis of the Box proposals including the business plan originally developed with the support of Four Street business advisors, the strong advice was that both the catering and retail elements of the Box needed to be expanded, both spatially within the building but also in terms of the capital investment needed in the facilities.
- 6.7.2. Having reviewed the impact on the construction contract and budgets a decision was taken by the executive to amend the building design and allocate additional capital funding to the proposals as it would generate higher income from larger and higher quality catering and retail experiences.
- 6.7.3. Currently plans are being developed for the catering franchise to be tendered through a European compliant procurement process. The market is being warmed up with a bidder's day on the 14<sup>th</sup> September. The retail experience is being developed in-house and a freelance buyer

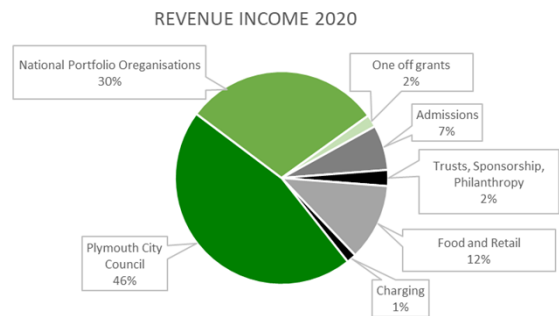
has been appointed to develop Seeking State’s retail proposals into a product line to develop the retail offer.

**7. Funding**

7.1. The grant income has been very successful, with grants received from Heritage Lottery, Arts Council England, Coastal Communities, European Regional Development Fund, Garfield Western and the Wolfston Foundations. In total £22.9m of capital and one off revenue, which pays for the construction, exhibition and current activity plan to replace the museum service while closed. A Further £4.1m revenue over 4 years has been agreed through Arts Council England (ACE) as the Box was re-designated as a National Portfolio Organisations (NPO) in June 2017. This revenue started in 2018/19 with an increase in the NPO grant from £500k to £875k



7.2. Despite increased costs in the capital and one off revenue expenditure, the level of grant when compared to Council match remains over 55%, and for revenue the grant and other incomes is 54%. The adjacent graphs show these proportions in more detail.



**8. Risk**

8.1. As expected of a project that has strategic benefits, there are a number of risks that the Council is taking in delivering such a large and complex project.

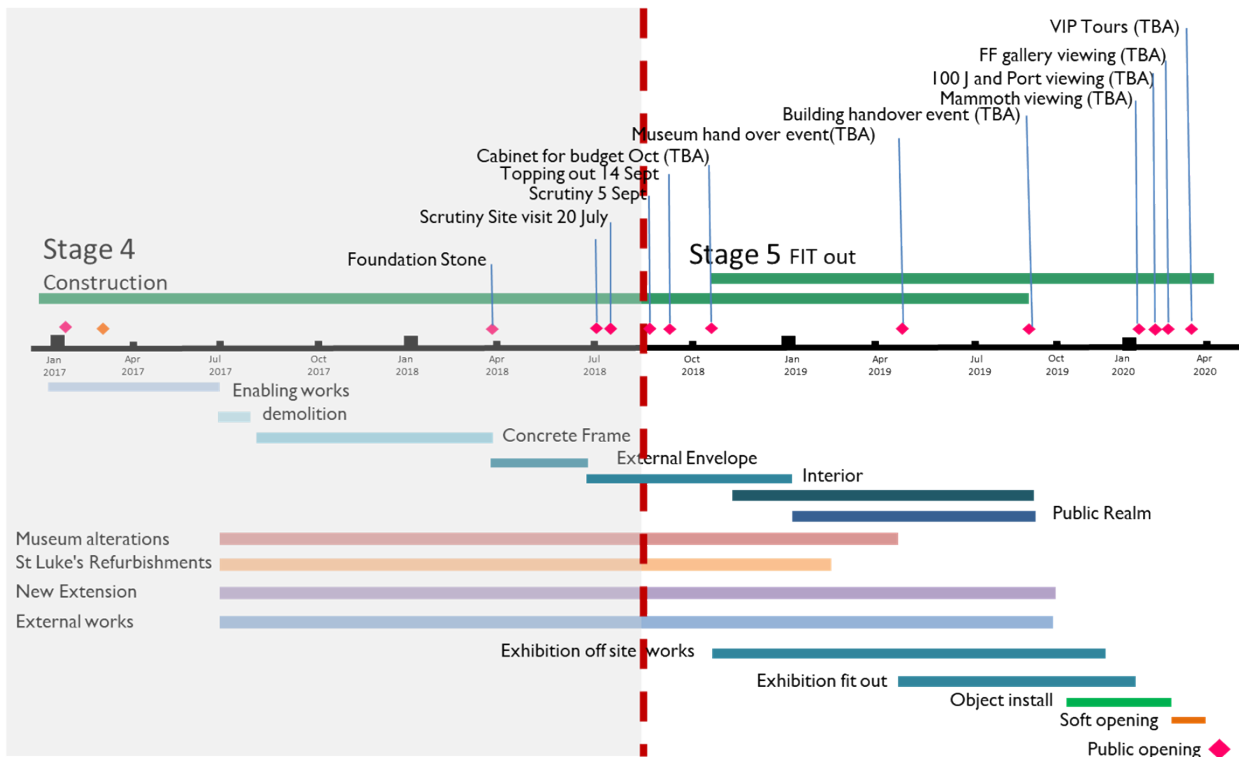
8.2. It has been widely accepted from its inception that a project that seeks to make a step change in the cultural experience of the city will have a sizeable price tag; and the Council has been very successful in gaining external funding support for the venture. However, it is right that the Council is also funding a proportion of the cost and remains in a position where it stands behind the outcome costs of the project. The Council is therefore holding the risk that the market place price for the exhibition fit out contract, and the final account for the construction works. This risk has been mitigated through very extensive supply chain engagement, and has been helped locally by the publicity of the project, which has opened up the project to greater competition.

8.3. The project also holds a significant amount of reputational risk that the outcome of the programme does not meet expectations. This has been mitigated with a very strong cross party member involvement in the programme throughout its design development, and now construction period. This risk was recently summed up in a recent [Herald Article, 1<sup>st</sup> August 2018](#), where Keith Rossiter reviewed progress and considered the impact of the Box programme on the city. The article, with a tongue in cheek title, offers the best critique to how successful Members have been in mitigating this risk.

**9. Time Scales**

9.1. The driver for the programme is to have the visitor experience open for the spring season in the year of 2020, in time for the Mayflower celebrations. This is a fixed deadline that imposes constraints to the contract delivery of the buildings and exhibitions.





9.2. The programme has been broken down into five stages and we are now most of the way through stage 4 and approaching stage 5, where we begin the fit out works by letting the major exhibition fit-out contract. The high-level time table of the last two phases above shows how the construction contract continues and is overlapped with the fit-out works and also how the object install is also overlapping the fit out works. These have been planned this way to absorb delays that have been encountered on the way. This means that the original opening date of April 2020 remains the same, but the pressure on the programme is high and any delay from here on in will be very difficult to mitigate.

## 10. Conclusions

10.1. The Box Programme delivery is approaching a major milestone where the final market response to the extent of the capital cost can be outlined. The tender for the exhibition fit out is the last major capital and one off revenue return that will affect the funding envelope and this is therefore the opportunity to take stock of the capital expenditure.

10.2. The aspirations for the exhibitions, both Arts and Heritage have not been dampened in delivery but have grown by the possibilities that have been presented. The estimated costs of the exhibition have risen significantly and the costs of the construction contract have also risen, due to the change introduced by the Exhibition, Retail and Catering alterations. These alterations have been discussed in some detail with Members and the Box Shadow Board, and are accepted as significant but necessary to deliver the vision.

10.3. Extensive value engineering was undertaken as the designs were developed and a further major consideration of cutting the scope of the programme was undertaken in spring 2018. Whilst some costs were cut back and others curtailed, the main thrust has been to retain scale, quality and time. It is inevitable therefore that the costs of the programme have risen and the reports to Cabinet in October 2018 will reflect this.

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**PLYMOUTH CITY COUNCIL**

**Subject:** Plymouth Visitor Plan - Refresh 2020-30  
**Committee:** Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee  
**Date:** 5 September 2018  
**Cabinet Member:** Councillor Evans OBE (Leader of the Council)  
**CMT Member:** Anthony Payne (Strategic Director of Place)  
**Author:** Patrick Knight (Economy, Partnerships and Regeneration Manager)  
**Contact details:** T: 01752 304472  
E: patrick.knight@plymouth.gov.uk  
**Ref:** DEV/ED/ED/Projects/VisitorPlanRefresh/ScrutinyCommitteeReport  
**Key Decision:** No  
**Part:** I

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**Purpose of the report:**

This report describes the City Council's plan to commission a refresh of its Visitor Plan, in order to inform the City Council and Destination Plymouth on how best to grow Plymouth's visitor economy over the 10 years from 2020 to 2030.

Destination Plymouth Ltd. was formed in 2008 and incorporated in June 2010 as a public private sector partnership and arm's length company of Plymouth City Council, which owns the major shareholding.

In 2010 the partnership commissioned a Visitor Plan for the city with the aim of growing the visitor economy, its economic impact and the jobs it supports over the 10 years from 2010 to 2020. Shared leadership and delivery of the existing Visitor Plan has secured significant results and leverage on the City Council's contribution.

The benchmark data for the Visitor Plan was produced in 2008 and nearly 10 years later progress has been significant against the original objectives. Visitor numbers and spend targets having been achieved and many of the projects originally 'visioned' have been delivered or are in the process of delivery prior to Mayflower 400 in 2020 which has acted as a significant catalyst for the city. The sector is now worth £327 million annually, supporting over 7,649 jobs, 7% of Plymouth's employment.

As we head towards Mayflower 400 in 2020 it seems timely to start to look forwards to the next ten years to maximise the legacy of the Mayflower commemoration year and set into place new objectives, projects and aspirations for the city to progress towards 2030.

Furthermore, the new Visitor Plan will aim to enable Plymouth's residents to benefit from the visitor economy, supporting job retention and creation; whilst also seeking to enable Plymothians to take full advantage of the city's rich history, heritage and unique environment, by promoting opportunities for education, health and wellbeing, and pride.

This report describes the City's plan to commission a refresh of the current Visitor Plan, in order to help inform the City Council and Destination Plymouth how best to continue to grow Plymouth's visitor economy over the next 10 years.

The report also provides an update on delivery of the highly successful Visitor Plan 2010-20, addressing project progress, KPIs and outcomes against targets.

The report requests that the Brexit, Infrastructure and Legislative Change Overview Scrutiny Committee:

- 1) Recognises the success of the current Visitor Plan in growing the city's visitor economy
- 2) Supports the refresh of the Visitor Plan for the ten years from 2020 up to 2030
- 3) Advises on how to improve the engagement of communities within Plymouth

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### **Corporate Plan:**

Plymouth is Britain's Ocean City and the visitor economy is a major contributor to our economy, local community and vibrant waterfront city. The Visitor Plan aims to address growing city priorities, in particular economic growth, jobs, skills and sustainability. The Scrutiny review approach embeds our values; it is democratic, responsible, fair and co-operative.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:**

Destination Plymouth Ltd currently receives £150,000 of revenue funding from PCC per annum up to the financial year-end Mar 2021. This is part of the £2.25 million commitment to Mayflower 400 up to end March 2021 and is included within existing revenue budgets.

In addition to this PCC supports city marketing and advertising within the existing Economic Development team and revenue budget.

Over the past three years Destination Plymouth Ltd has helped to leverage over £1.9 million income through grants alone for specific projects related to the visitor plan.

Funding for the process of renewing the 10-year strategy has been provided within the existing economic development revenue budget.

No further implications are anticipated for the MTFP at this stage, resource implications are limited to member and officer time.

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### **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

The refreshed Visitor Plan may include recommendations that relate to the above.

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### **Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? No

The Scrutiny Committee is only able to make recommendations, which will need to be endorsed by Cabinet. An EIA will be completed when Cabinet endorsement is sought.

**Recommendations and Reasons for recommended action:**

That the Scrutiny Committee:

- 1) Recognises the success of the current visitor plan in growing the city’s visitor economy
- 2) Supports the refresh of the Visitor Plan for the next ten years up to 2030
- 3) Advises on how to improve the engagement of communities within Plymouth

**Alternative options considered and rejected:**

Delivery of the existing Visitor Plan has significantly grown the city’s visitor economy, which now represents over 7,649 jobs, 7% of employment in the city. The visitor sector is growing in an environment where some more traditional employment sectors are reducing and is therefore of significant importance to the local community. The plan has acted as a key catalyst and, given changes to the marketplace and the importance of maximising the Mayflower 400 legacy, it is considered essential that a new Visitor Plan is commissioned, consulted on and delivered.

Not refreshing the Visitor Plan could potentially affect the city’s ability to position itself as a destination not just to visit but also to invest in and to live. This could have significant impacts on the city’s overarching growth strategy, the Plymouth Plan, to 2032.

**Published work / information:**

Visitor Plan 2010-20  
 Marketing Plan 2010-2020  
 Business Plan 2010 - 2020

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

**Sign off:**

Fin	pl.18 .18.7 1	Leg	lt/31 110/ 2808	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the content of the report? Yes													

## 1.0 Introduction

1.1 The Plymouth Plan, Local Economic Strategy, and the existing Visitor Plan, all highlight the importance of Plymouth's visitor economy, which represents £327 million economic impact annually, supporting 7649 jobs, 7% of the city's employment.

1.2 In 2008 the City Council established Destination Plymouth Ltd. as a public-private sector partnership and arm's length company. Destination Plymouth aims to drive Plymouth's visitor economy through a range of activities, including supporting Mayflower 400 as a delivery vehicle, visitor marketing, events activities, business engagement and support. The model is a shared leadership, shared delivery model. Current Board Directors on Destination Plymouth Ltd. are:

Adrian Vinken – Chairman

Cllr. Tudor Evans – Leader City Council

Richard Stevens – Chairman Devon Chamber/Growth Board

Doug Fletcher – Present past Chairman City Centre Company

David Alder – Chief Marketing Officer Plymouth University

Commodore Peter Coulson – HM Naval base

Observers:

Tracey Lee – PCC Chief Executive

David Draffen – PCC Service Director

Charles Hackett – Mayflower 400 Chief Executive

Amanda Lumley - Executive Director, Destination Plymouth

1.3 In 2010 the City Council and Destination Plymouth jointly commissioned a Visitor Plan with the aim of growing the visitor economy over the 10 years from 2010 to 2020. The benchmark data for the visitor plan was initiated in 2008 and nearly 10 years later progress has been significant against the original objectives, with visitor numbers and spend targets having been achieved and many of the projects originally 'visioned' having been delivered or in the process of delivery prior to Mayflower 400 in 2020 which has acted as a significant catalyst for the city.

1.4 As we head towards Mayflower 400 in 2020 in a rapidly changing global environment with new opportunities and challenges it seems timely to start to look forwards to the next ten years and set into place new objectives, projects and aspirations for the city to progress towards as we build on the legacy of Mayflower 400 in 2020.

1.5 Plymouth faces some key challenges which the refreshed Visitor Plan will aim to address. These include low productivity and wages (linked to seasonality), low average spend per visitor, and the low numbers of overnight and staying visitors linked to a poor accommodation offer. In addition, the impact of Brexit on Plymouth's visitor economy will need to be considered across a diverse range of potential Brexit scenarios.

1.6 Key opportunities for Plymouth include:

- Growing visitor numbers in shoulder seasons (period between peak and off-peak seasons) through conferencing/meetings and targeting key markets
- Continue to develop accommodation offer
- Grow overseas visitors through international activity
- Positioning Plymouth as key destination in UK within Cornwall/Devon holiday offer
- Maritime and marine developments
- Building legacy from the Mayflower 400 programme
- Establish Britain's first Marine National Park

## 2.0 Existing Progress

2.1 The benchmark data for the Visitor Plan was initiated in 2008 and nearly 10 years later progress has been significant against the original objectives, with visitor numbers and spend targets achieved and many of the projects originally envisioned having been delivered or are in the process of delivery prior to Mayflower 400 in 2020 which has acted as a significant catalyst for the city.

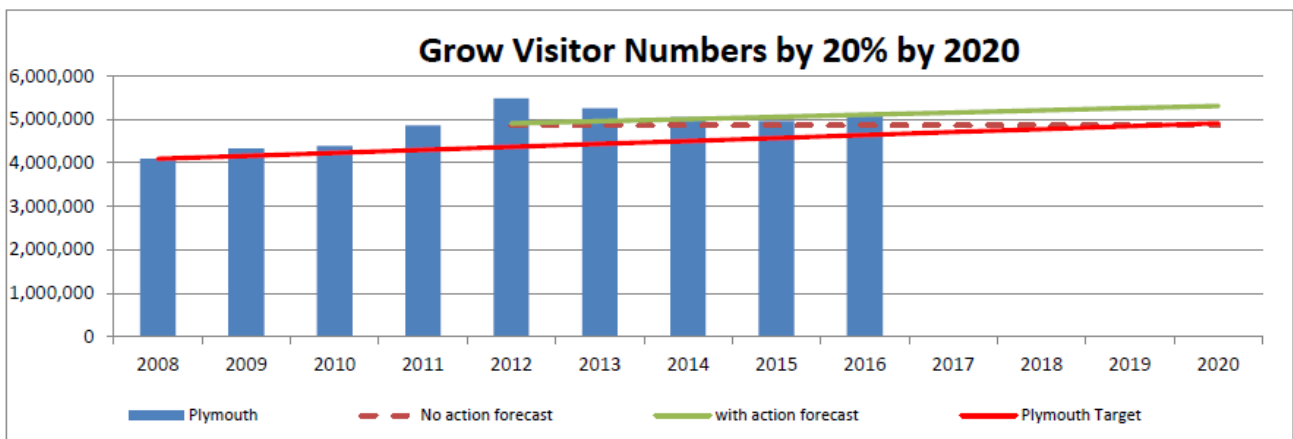
2.2 The key strategic objectives within the existing Visitor Plan are:

- To grow visitor numbers by 20% by 2020 and visitor spend by 25% - that means 800,000 additional visitors and that visitor spend will rise by £63m from nearly £252m to £315m
- To create and sustain 4,000 new jobs in the visitor economy by 2026 – a 33% increase on current numbers
- To increase GVA by £84.4 million
- To strengthen Plymouth’s position as the regional centre for Devon & Cornwall – by creating a great day out and evening destination
- To raise the profile of Plymouth and its positioning as a place to visit and invest - particularly focusing on its outstanding marine credentials
- To generate demand for more places to eat and drink, distinctive independent shops, quality places to stay and an exceptional cultural offer that local people and visitors can enjoy

2.3 The achievements as a city compared to targets are significant, including:

Grow visitor numbers by 20%

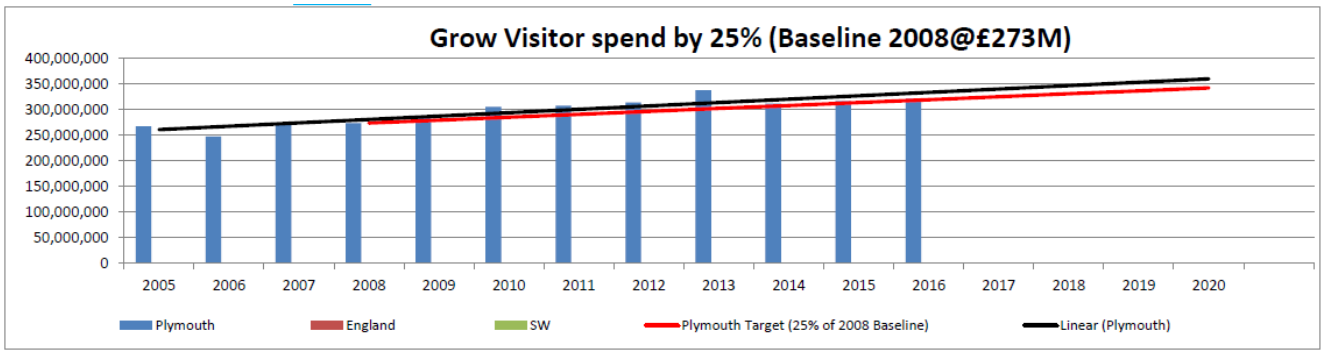
- Baseline (2008) = 4.093 million. Actual to 2016 = 5.116 million
- Plymouth has grown its visitor numbers by 24.9%



Grow visitor spend by 25%

- Baseline (2008) = £273,731,000. Actual to 2016 = £321,767,000
- Plymouth has grown its visitor spend by 17.5%

Key: ‘Actual’ figures are graphically represented by the blue coloured bars in above graph.



**Grow jobs by 2,800**

- Baseline (2008) = 4,495. Actual to 2016 = 7,649
- Plymouth has grown the number of jobs by 3,154

**Grow GVA by £84 million**

- Baseline (2008) = £208m. Actual = 248m (2016 latest figures)
- Plymouth has grown its GVA by £40m
- Anticipate future increase - as 4 years to go, including impact of projected new hotel capacity

Key: 'Actual' figures are graphically represented by the blue coloured bars in above graphs.

2.4 In addition, the original visitor plan included a five-year rolling business plan and marketing plan with the following headline actions and 'star projects'.

**Star projects:**

- A signature and major events programme to draw in day visitors from across the region
- Development of Commercial Wharf into a used public space
- Royal William Yard to be developed as a visitor destination
- 'Telling Stories' a project to develop and promote our heritage assets, public realm, gateways and city walking trails.

**High level headline actions:**

- Destination marketing
- Accommodation development
- Visitor welcome
- Business tourism
- Skills development
- Evaluation and monitoring

2.5 Star projects have been particularly successful and have been largely delivered already or will be delivered by 2020:

Events – Plymouth now has a very strong events programme punctuated by nationally significant events including MTV Presents, British Fireworks, Armed Forces Day, FlavourFest, and key sporting events including Transat, La Solitaire du Figaro, British Diving Championships and British Swimming Masters. Plymouth Culture has grown from strength to strength over the past five years and in 2017 helped to enable NPO's across the city to bid for Arts Council Funding of over £18 million for four years to develop the underpinning cultural infrastructure of the city as we move towards 2020.



Commercial Wharf and Royal William Yard have both been successfully re-developed with the Commercial Wharf area now a thriving café and boat trips attraction led by private sector investment. Royal William Yard has been developed by Urban Splash and has become a chic mini-destination of offices, restaurants, cafes and bars in its own right, coupled with a quirky programme of artisan food markets, open air theatre and cinema amongst some of its regular activities and café culture.

The TIC and associated Mayflower Visitor Centre on the Barbican continue with a 3-storey museum with interactive displays about merchant life, the fishing industry and the harbour. There was a c.£15,000 refurbishment by the City Council in 2015. There has been a strong increase in visitor numbers over the last few years, potentially due to the current temporary closure of the city museum (ahead of the opening of The Box).

The 'Telling Stories' project has many facets and is currently in delivery with the aim of being completed by 2020. The project comprises three heritage trails, refurbishment of the Elizabethan House and reimagining of the public realm in the Mayflower Steps area through both physical and digital attributes. Linked into this will be the impressive 'The Box' project which will provide a step change in the visitor offer in the city and long overdue revitalisation of the former city museum, galleries and records offices.

2.6 The headline actions for marketing activities included targeting local and regional day trippers, developing staying and overnight visits, and focusing on the East coast of the USA as part of the build up to Mayflower 400 in 2020. As part of the initial work the Britain's Ocean City branding was developed and there has been significant success in growing the reach of the city's marketing activities helped by £1 million of Visit England and government grant funding over the past two years for Mayflower 400. This has resulted in the following improvements:

Website visits: 2013 - Unique visitors 616k; Page views 4.2m  
2017 - Unique visitors 968k; Page views 5.3m

Social media:

Visit Plymouth - 2014 - Facebook 5.4k, Twitter 6.6k  
2018 - Facebook 10.6k, Twitter 13.5k

What's On - 2014 - Facebook 31.7k, Twitter 1.4k  
2018 - Facebook 60.4k, Twitter 6.1k

Impact:

AVE / Reach - 2013 – AVE - £2.1m; Reach: 118k  
2017 – AVE - £2.7m; Reach 156k

US marketing activity – Audience reach £728 million (trade), £17 million (AVE) PR reach

In addition, work commenced in 2017 to develop the cruise market driven by long term aspiration to become a key cruise port in the South West and to grow cruise visits which had declined to zero over the years. Early activities in 2017 and 2018 have been successful with 4 cruise liners booked in 2018, 5 to date in 2019 and 6 to date in 2020.

2.7 A key area of activity in the original plan was to grow better quality and a wider range of accommodation bed stock to support growth in the staying and international visitor markets and to encourage visits from higher spending visitor groups.

A hotel demand study was commissioned in 2014 and demonstrated demand in the market; this was subsequently taken to market by the City Council later that year. Currently there are two hotels being built (Derrys Premier Inn (110 rooms), Coxside Premier Inn) and a 14 bed boutique hotel has recently opened in Royal William Yard. A number of other hotel developments are in the pipeline and are in the process of being brought forward.

2.8 Visitor welcome activities have been predominantly driven by PCC and include continuing to support the tourist information centre in the Barbican, improving key gateways such as Bretonside coach station being moved to Mayflower Street, the railway station which is currently being brought forward as a major hub regeneration project, cruise terminal and key city gateways such as Exeter Street.

### 3.0 Funding

#### 3.1 Headline figures:

Destination Plymouth Ltd. currently receives £150,000 per annum from PCC, which is already within existing revenue budgets, as part of the overall Mayflower 400 contribution of £2.25 million from 2017 to Mar 2021.

Other income based on last year's figures is broken down as follows;

City Centre Company £50,000 per annum  
Plymouth Waterfront Partnership £10,000 per annum  
University of Plymouth £50,000 per annum  
Memberships £17,000 per annum (net)  
Marketing £20,182 per annum  
Mayflower 400 £330,315  
Discover England £343,000  
Cruise £25,000  
Total: c.£845,000

This income supports the executive team and delivery of key projects linked into specific grant funding including Discover England Fund and Mayflower 400.

#### 3.2 Leverage:

As part of the overall partnership approach, PCC also contributes event and non-event specific income (totalling c.£0.93m in 2017/18) towards marketing and events activities via the economic development events and marketing team. This supports events such as Lord Mayors Day, Bonfire Night, Armed Forces Day, Ocean City Sounds, Fireworks, and the Blues n' Jazz Festival. The Destination Plymouth team is also hosted at City Council offices in Ballard House.

Grants funding has also successfully been secured over the past three years including:

2016 £500,000 Treasury funding via Visit England for MF400 International marketing  
2017 £500,000 Discover England Grant funding for international marketing (+ £200,000 in kind)  
2017 £88,000 Discover England Grant funding for cruise marketing

2018	£250,000 DCMS funding for MF400 international marketing
2018	£10,000 General Society of Mayflower descendants for MF400 trails/monument
2018	£60,000 Community Rail Partnership for MF400 trails
2018	£10,000 Pilgrim Trust for Elizabethan House
2018	£50,000 from Heritage England for Elizabethan House
2018	£140,000 from HLF for Elizabethan House (part of 2 stage grant of £650,000)
2018	£200,000 Founders Club for MF400 marketing activity
2018	£51,000 Plymouth Argyll Trust for MF400 sporting programme (in kind)
2018	£70,000 Arts Council for Cultural producer
2018	£68,000 Arts Council for Illuminate and misc projects (in kind)

Total grant funding leveraged - 2016 to 2018 (to date) - £1.997 million.

It is worth highlighting that this represents significant leverage on City Council funding.

#### **4.0 Visitor Plan Refresh**

4.1 There is a need to refresh the Visitor Plan in the light of an evolving marketplace, the significant progress against the existing plan, and new opportunities arising, including how best to capitalise on the Mayflower 400 legacy, and the proposal to establish the UK's first Marine National Park. This will enable us to set into place new objectives projects and aspirations for the city to progress towards.

4.2 The objectives of the Visitor Plan refresh include:

- Review progress against existing visitor plan targets and key success factors
- Diagnose and address the opportunities/issues facing growth in the sector, wider 'place marketing' challenges and establish a clear direction for the further development of Plymouth as a destination
- Engage with key partners across the city to define key priorities, projects and assets that will help drive visitor growth
- Clearly articulate a renewed vision for the future outlining the roles and structures of governance required to effectively drive success
- Explore how to effectively engage and exploit other city marketing activities to the benefit of the overall 'Britain's Ocean City' branding and proposition
- Identify how best to invest limited funding and resources in improvements to the visitor offer and marketing effort

4.3 The Board of Destination Plymouth are keen to bring together different groups with wider interests to engage in the development of the new Visitor Plan strategy and explore particular themes more deeply.

- 4.4 The refreshed Visitor Plan will set out a vision, clear priorities, a rationale and identify headline actions against a timeline for delivery and targets, identify what needs to be done, who and how it will happen and which stakeholders will be involved. It will:
- Set the level of ambition for the next 10 years, underpinned by a market led rationale.
  - Articulate how the city's culture, heritage and environment can be used to drive the visitor economy in terms of market opportunities as well as delivery.
  - Identify how we will maximise the legacy of Mayflower 400 over the next 5-10 years, requiring a stronger marketing focus.
  - Be a short, outward looking document, to enable it to be widely used by all interested parties and willingly shared with external partners. The strategy should be easy to read with plenty of graphics and imagery as accessible as possible and easy to update.
  - Include detailed action plans to sit behind the strategy, for example on culture, heritage, environment and marketing. These plans will take the relevant priorities and set out key actions and responsibilities, identifying resources and funding. The action plans should provide opportunities to engage with wider audiences, partners and industry wide organisations.

- 4.5 There are some key challenges which the refreshed Visitor Plan will aim to address:

- Productivity (and wages) – affected by local and regional seasonality
- Low spend per visitor – 85% of visitors are day visitors
- Low number of overseas and staying visitors – 15% overseas, 14% staying

- 4.6 Key opportunities include:

- Growing the shoulder seasons through conferencing/meetings and targeting key niche markets
- Further developing our accommodation offer
- Continuing to grow overseas visitors through international activity
- Positioning Plymouth as key destination in UK within Cornwall/Devon holiday offer
- Make most of key Plymouth anniversaries through development of a diary
- Creation of Britain's first Marine National Park

- 4.7 Considerations – National/International Context

It is important to consider our local visitor economy in relation to wider impacts both nationally and internationally. From a national perspective tourism is one of the fastest growing employment sectors providing 9.6% of employment and £126.9 billion GDP (\*2013 figs.). It is predicted that Britain will have a tourism industry worth over £257 billion by 2025 – just under 10% of UK GDP and supporting almost 3.8 million jobs, which is around 11% of the total UK number. The sector is predicted to grow at an annual rate of 3.8% through to 2025 - significantly faster than the overall UK economy (with a predicted annual rate of 3% per annum) and much faster than sectors such as manufacturing, construction and retail.

Globally Inbound tourism will continue to be the fastest growing tourism sector – with spend by international visitors forecast to grow by over 6% a year in comparison with domestic spending by UK residents at just over 3%. It is therefore important to consider these when targeting marketing activity to ensure that we are aligned with Britain's strategic tourism objectives and as well as maximising any opportunities this may offer including grant funding and policy support.

In particular the following will be significant over the next 12 months and in the immediate post Brexit period:

- Brexit – post exit impacts on currency and EU workers/ease of access to inbound visitors will affect visitors as well as businesses
- Tourism Sector deal – a submission has already been delivered to government outlining the support required for the sector to enable it to grow and support the government’s emerging Industrial strategy
- Industrial Strategy – over the next 12 months it is important to ensure that tourism is recognised within the new industrial strategy and that, following the government’s comprehensive spending review, allocated funding to support the strategy is identified and opportunities maximised where possible
- Growing inbound tourism (global macro) – Globally, tourism is set to continue to grow, with the value of inbound tourism forecast to grow from over £21bn in 2013 to £57bn by 2025, with the UK seeing an international tourism balance of payments surplus in 2023, almost forty years since the UK last reported a surplus
- Visit Britain tourism strategy – In 2017 France, the USA and Germany were the top three markets in terms of number of visits to the UK, accounting for 29% of visits. The top three markets measured in terms of visitor spend were the same markets although in a different order (USA, Germany and France) accounting for 27% of all overseas visitor spend in the UK. London accounts for 55% of all inbound visitor spend, the rest of England 32%, Scotland 9% and Wales 2%.

#### 4.8 Local /regional context and considerations

As part of the process of reviewing the current strategy it will be important to consider wider regional strategies and factors which may affect our decision making or which we may wish to be influenced by the refreshed strategy and our ambitions.

- Local Economic Strategy – this is also currently being reviewed and can be updated by our emerging new visitor plan
- LEP review and current strategy - embed tourism as a key economic driver and enabler
- Culture/creative industries strategy – currently in development – it will be important to align this with our new visitor plan to ensure we maximise impact and resources
- Infrastructure – what are the current projects which will be completed as Mayflower legacy and what are the emerging new projects which should be highlighted as key city developments over the next 10 years?
- Business community – engagement and consultation with our local business community will be crucial to ensure the success of the new visitor plan as a shared leadership, shared delivery model
- City aspirations – in the current visitor plan Mayflower 400 has acted as an incredibly successful and very powerful catalyst and its legacy will continue well beyond 2020. Part of the process of refreshing the plan will explore how we capitalise on Mayflower projects and what we can use going forward as the next milestone in the development of the city as a major international visitor destination.

## 4.9 Process

In order to kick start the process of refreshing the visitor plan the Destination Plymouth Board held an 'away day' in July 2018. The board reviewed progress against the existing plan and agreed an approach and timeline.

The approach is as follows:

<b>No.</b>	<b>Activity</b>	<b>Complete By When</b>
1.	Assembly of evidence base including research, hotel study, statistics and analysis	End Sept 2018
2.	Second workshop with DP Board (or working group) to review objectives, priorities, target markets and rationales. Formalise process through PCC members and scrutiny committee.	End Sept
3.	A series of themed workshops with the DP Board (or working group) and wider stakeholder groups including: environment, culture, heritage, marketing, accommodation and hospitality/conference, members etc.	End Oct
4.	Initial drafting of a short Visitor plan framework document	End Nov
5.	Action planning sessions to work up the detail of headline activities for 3 to 5 years with DP working group, delivery staff and partners.	End Nov
6.	Populate action plans identifying delivery resources and budget requirements	End Dec
7.	Feedback on progress to Members and Scrutiny	9 Jan 2019
8.	Collate framework document and action plans into first draft strategy and feedback to stakeholders and DP Board	End Jan 2019
9.	Finalise details of plan and create actual document	Feb 2019
10.	Ratify final document with stakeholders and DP Board, then take to members and full council for corporate decision	Mar 2019
11.	Feedback on progress to Members and Scrutiny	6 March 2019
10.	Launch and publicise plan	April 2019

**PLYMOUTH CITY COUNCIL**

**Subject:** Brexit Overview of Impact on the Higher Education Sector

**Committee:** Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee

**Date:** 5 September 2018

**Cabinet Member:** Councillor Jon Taylor, Cabinet Member for Education, Skills and Transformation

**CMT Member:** Giles Perritt, Assistant Chief Executive

**Author:** Kevin McKenzie, Policy and Intelligence Advisor

**Contact details:** T: 01752 304318  
E: Kevin.Mckenzie@plymouth.gov.uk

**Ref:**

**Key Decision:** No

**Part:** I

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**Purpose of the report:**

To inform the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee of the impact of Brexit on the Higher Education Sector.

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**Corporate Plan:**

The city's international profile is a vital element to achieving our ambitions. The Council attach a high priority in the Corporate Plan to ensure Plymouth is welcoming and that it promotes and celebrates diversity. Restrictions on the number of international students will have a hugely detrimental impact on our efforts to promote the city's global profile.

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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land:**

Plymouth has three Higher Education Institutions (HEIs) that collectively employ 3,125 FTEs with a number of world class areas of subject expertise and facilities. The University of Plymouth alone generates more than £460 million of output for the city of Plymouth. The success and vibrancy of our Higher Education institutions contribute hugely to the city's economy with student spend estimated to be worth over £120m to our local GVA and supporting almost 5,000 jobs. The loss of this contribution to the city's economy would be a severe blow and affect businesses that support the student population.

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**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

n/a

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**Equality and Diversity:**

Our reputation as a city that attracts students and education professionals from across the globe to Plymouth could be significantly compromised by Brexit

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**Recommendations and Reasons for recommended action:**

The Committee asks the UK government to;-

- Clarify the status of EU citizens in the UK in the event of a ‘no deal’ Brexit.
  - Take international students out of the net migration figures and give an assurance that changes to immigration rules and visa requirements will not limit the ability of universities to attract and recruit world-leading researchers and teachers.
  - Provide greater clarity on what the UK Shared Prosperity Fund might look like and where possible to negotiate close relations with existing structures such as Framework Programme 9
  - Offer EU nationals continued access to UK research facilities and a matched funding scheme to support international collaborative research.
  - Collaborate with the Higher Education sector to market the City internationally as an attractive place to study and as a destination for employers.
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**Alternative options considered and rejected:**

N/A

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**Published work / information:**

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

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**Sign off:**

Fin		Leg		Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the content of the report?													



## **The Higher Education Sector In Plymouth**

### Introduction and Background

Plymouth has three Higher Education Institutions (HEIs) that collectively employ 3,125 FTEs with a number of world class areas of subject expertise and facilities. The University of Plymouth alone generates more than £460 million of output for the city of Plymouth.

The success and vibrancy of our Higher Education institutions contribute hugely to the city's economy with student spend estimated to be worth over £120m to our local Gross Valued Added (GVA) and supporting almost 5,000 jobs. The loss of this contribution to the city's economy would be a severe blow and affect businesses that support the student population.

Furthermore the city's international profile is a vital element to achieving our ambitions. The Council attach a high priority to ensure Plymouth is welcoming and that it promotes and celebrates diversity. Restrictions on the number of international students will have a hugely detrimental impact on our efforts to promote the city's global profile.

The University of Plymouth specialisms, in marine and maritime science, medicine, environmental science and geosciences and psychology and neuroscience, are important to the local economy.

### Maintaining the Excellent Reputation that UK Universities have Internationally but in more Restricted Market

*Research is an international endeavour, and British isolationism risks severely diminishing our international reputation and credibility. This problem arises not just from Brexit, but more broadly from our growing reputation for restrictive and adversarial approaches to the granting of visas (Professor Rob Warner, Vice-Chancellor and Chief Executive Plymouth Marjon University).*

Mobility of researchers is also a crucial component of overall UK research success – delivery per pound spent is the best in the world. Presently the sector is highly collaborative in supporting enhanced impact and excellence, with many active UK and European researchers fostering collaborations over decades - underpinned by EU funding sources thanks to the current single framework for collaboration across all 28 member states. The current ease of movement of European researchers makes the building of long-term collaborations with institutions and organisations very easy and enhances skills development.

Ensuring collaborative research and enterprise across EU borders continues is vitally important to maintain career development and opportunities for UK researchers and therefore maintain the UK's excellent reputation for research and innovation. In relation to academia the Brexit White Paper proposes a framework for mobility and suggests that the UK would like an agreement that facilitates the temporary mobility of scientists and researchers.

### Guaranteed Protection in Place for those Currently Working in the UK and those who have been Offered and Accepted Employment during the Transition Period

The University of Plymouth has a disproportionate compliment of EU staff, 622 FTE staff of 3,300 covering 735 positions - this equates to c.7% of the University's researchers and academic staff. The majority of core roles (n.139) held by EU citizens are academic and research positions, and EU citizens

account for 12.8% of all contractual academic and research positions at the University. The rest of the core roles held by EU citizens are administrative, professional and technical support (n. 66), and EU citizens account for 3.5% of all contractual administrative, professional and technical roles at the University.

Marjon's report that staff from Europe are increasingly apprehensive about their entitlement to stay in the UK, and to continue to access the NHS and free state education for their children. The academic market is international, and the college anticipates the continuation and acceleration of the trend since the referendum of diminished numbers coming to work in the UK.

The University of Plymouth regards recruiting and retaining high calibre staff as a strategic priority and has recruited over 500 EEA core staff on the basis that they were the best candidate for the job because of their skills, experience and qualifications. Changes to visa requirements and/or restricted numbers of visas for EU citizens entering the UK will impact on future recruitment particularly in disciplines where EU staff are particularly common (e.g. Economics, Mathematics, Computer Science, Medicine) and also senior roles in general. If EU staff are to come under the current Tier 2 visa process, then the annual cap is already over-subscribed and would need to be increased substantially.

Our Higher Education sector feel they may need to offer a pay premium to attract the best talent internationally and remuneration packages for international staff are likely to increase. If salary thresholds for Tier 2 Visas are increased, then in order to ensure equity and fairness to UK employees, salaries are likely to be pushed up across the sector which will impact the university pay bill across the board.

A framework agreement on the future status of EU nationals residing in the UK (and vice versa) was agreed in principal at the December summit meeting of European Council. However this agreement is one which relies on reciprocity and will only be fully implemented if the final withdrawal agreement is adopted by both the UK and EU parliaments.

### Maintain Conditions which Encourage International Students to Study in the UK and Enhance the Global Experience of UK Students

UK students benefit in different ways from a broader international experience, either by studying with overseas students in the UK, participating in overseas placements, or being taught by international scholars. The University of Plymouth attracts over 2,000 international and European Union students to study in Plymouth each year.

Growing numbers of students want to study a degree outside their home country and according to Universities UK, the UK is currently the second most popular destination for international students after the United States. To maintain this position it is vital that universities remain able to recruit international students as well as world-leading academics and researchers. A reduction in EU student numbers will lead to loss of income, research and a reduction in the number of skilled graduates available to the economy.

Marjon's student recruitment is overwhelmingly from England and Wales, and so there is no particular adverse impact upon revenues consequent upon Brexit. However, as Marjon's reputation continues to rise the college would expect to be able to recruit rising numbers of European and international students. Brexit and the Home Office policy of including international students in immigration statistics will both inhibit this future growth and future prosperity for the City.

A significant number of students in the city and region from less privileged backgrounds have had very little opportunity to travel abroad and many tend to be cautious about taking this opportunity during their studies. If Britain fosters a climate of isolationism this may further inhibit these students from taking international study opportunities. In a century when patterns of work are likely to become

increasingly fluid and international. In an era of international co-dependency, protectionism and isolationism are self-limiting roads to travel. This would be enormously regrettable.

The mobility framework proposed in the Brexit White Paper includes a commitment to seek reciprocal mobility arrangements with the EU. These are expected to include measures to facilitate mobility for students. The Prime Minister has said that the UK will continue to take part in the Erasmus student exchange programme until at least the end of 2020.

The data from the Higher Education enrolments by domicile at Higher Education providers in Plymouth is as follows (2016/17) –

HE provider	UK	Other EU	Non-EU	Total
Plymouth College of Art	1,275	30	10	1,315
University of Plymouth	19,555	660	1,430	21,645
University of St Mark and St John	2,325	60	30	2,415
Total Plymouth	23,155	750	1,470	25,375

#### Continued Access to EU Funding Post-Brexit

The current EU framework programme, Horizon 2020, is the largest to date, with nearly €80 billion of funding available over seven years (2014 to 2020). Its successor will be Framework Programme 9 (FP9). The terms of potential UK participation in future framework programmes, including FP9 beginning in 2021, would need to be negotiated with the EU and its Member States, recognising the mutual benefits from past collaboration. A number of non-EU countries currently participate in Horizon 2020 either with associated country status or with automatic third country status, and all third countries without formal associate status can participate in specific parts of the programme, with some restrictions, usually by funding their own participation.

EU research funding and collaborations are crucial to much of the world leading research that is done at the University of Plymouth in tackling global challenges. EU funding constitutes nearly 30% of the University’s research income. Marjon’s feel that there is nervousness across the sector that Brexit may not only inhibit access to research funding and to Erasmus, but may inhibit researchers in other countries from wanting to work with the UK. The risk is therefore both a loss of access to funding and a loss of partners.

The Higher Education sector also benefits from other sources of EU funding. The University of Plymouth is working with a consortium of education providers across Devon, Somerset, Plymouth and Torbay. This work is supported by a grant from the European Social Fund (ESF) of more than £3.2 million (towards a total project fund of £5.8 million), and will improve collaboration between further and higher education and business in the region.

The Brexit White Paper sets out proposals for a new cooperative accord that provide for a more strategic approach than simply agreeing the UK’s participation in individual EU programmes on a case-by-case basis. It argues that it is in the shared interest of UK and the EU to continue to cooperate and that this strategic approach would ensure that the UK and the EU could build on existing activity or develop new forms of cooperation, taking advantage of emerging opportunities and responding to global challenges, where it was in both parties’ mutual interest.

#### Disproportionate Economic Consequences of Brexit may Impact on Ability of Families to Support Children at University

The independent economic analyses of Brexit indicate that the financial dis-benefits will be unequally distributed, falling with particular severity on cities and regions far from London, in areas where the Leave vote was particularly strong.

If there is a loss of regional income as a consequence of Brexit, there will be more families hard-pressed to support their children through university, and Devon and Cornwall already have lower than average percentages of 18 year olds going to University.

This needs to be put in context of a record proportion of 18 year olds from across the UK, gaining a place at university or college in 2017. This is despite a fall of 1.2% in the 18 years old population in the UK in 2017 (Plymouth average 1.8% over three years). In the Plymouth Constituencies it is fair to say that the number of 18 year olds going to university is at a rate lower than the national average.

- National average rate 0.322
- Plymouth Sutton Constituency: 0.253
- Plymouth Moorview Constituency: 0.223
- South West Devon Constituency: 0.307

### Recommendations for the Committee to Consider

Ask the UK Government to –

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- Provide greater clarity on what the UK Shared Prosperity Fund might look like and where possible to negotiate close relations with existing structures such as Framework Programme 9
- Offer EU nationals continued access to UK research facilities and a matched funding scheme to support international collaborative research.
- Collaborate with the Higher Education sector to market the City internationally as an attractive place to study and as a destination for employers.