

PLYMOUTH CITY COUNCIL

Subject: Plymouth History Centre
Committee: Cabinet
Date: 8 November 2016
Cabinet Member: Councillor Jordan
CMT Member: Anthony Payne (Strategic Director for Place)
Author: Gareth Simmons (Strategic Projects Director)
Contact details: Tel: 01752 307161
Email: gareth.simmons@plymouth.gov.uk
Ref:
Key Decision: No
Part: I

Purpose of the report:

The development of the History Centre is a city and regional priority. It is a major feature of the Local Economic Strategy, the Vital Spark Cultural Strategy, the Plymouth Plan and the flagship of the developing proposals for the celebrations of Mayflower 2020. It is therefore a critical component to Britain's Ocean City.

The History Centre brings together a unique combination of cultural and heritage collections and partners including the City Museum and Art Gallery, the Plymouth and West Devon Record Office, the Local History Collections of Central Library, the South West Film & Television Archive, the South West Image Bank, University of Plymouth (including Peninsula Arts), the Naval Heritage Centre, the British Broadcasting Company and Plymouth College of Art.

We are seeking to translate this into a major cultural statement and complete a step change for the Plymouth cultural sector. The History Centre programme was initiated in September 2013 with proposals to submit a major application to the Heritage Lottery Fund (HLF). The proposal, described by HLF as "inspiring and compelling", resulted in a £12.8m "in principle" funding approval. Officers have developed the detail of the proposals over an 18 month period through initially building a professional team with the correct experience and expertise to offer advice, but then developing the building and exhibition design proposals and evaluating the conservation requirements of the collections. In addition they have engaged with audiences and the community and developed an activity plan for the closure period, during which the construction works will take place.

This report therefore seeks to:

- Update Members on the progress of the project and to report the outcome and implications of the funding applications.
- Agree to indemnify our partner organisations against any potential funding clawback to allow the collections to be fully integrated into the History Centre.
- Confirm the decision for appointment of the Contractor to the Strategic Director for Place in consultation with the Cabinet Member for Culture.

The Council Corporate Plan 2016/2019:

PIONEERING PLYMOUTH

The project will transform the management and provision of an already outstanding arts and heritage offer for residents and visitors alike. The proposals for the building, the public realm and the attraction's interior will achieve a high quality experience, recognising that the cultural offer is of local, regional, national and international interest.

The History Centre will:

- Adapt the Arts and Heritage Service to offer even higher quality services focused on customers' needs
- Be a more commercial venture seeking to balance the books
- Develop new ways of working to reach wider audiences
- Redefine the use of Council assets by refurbishing and rebuilding out of date buildings
- Work constructively with audiences and stakeholders so reaching over 100,000 people in its consultations

GROWING PLYMOUTH

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 deliver a vastly improved learning programme for schools and young people, targeting an improved education offer for all schools and pioneering work with communities in the city. As a result it will contribute to the city's reputation as a city worth investing in.

The History Centre 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
- Increase levels of investment from external national funders
- Replace aging and failing cultural buildings
- Build a new civic square that is green and pleasant

CARING PLYMOUTH

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 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 and we have an ambition that this will be the first truly dementia-friendly museum/heritage centre in the country.

The History Centre 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 spec facilities to boost the city as an inclusive community
- Listen to people through consultation and respecting their wishes

CONFIDENT PLYMOUTH

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 proposals are being carefully crafted to appeal to a global market as well as a personal experience for local visitors.

The History Centre will:

- Demonstrate that the Council is making decisions driven by citizen wishes
- Create another reason for Plymouth to be seen as a destination
- Improved street scene environment by transforming a tired back street into a major public square
- 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

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

The details of the capital and one off revenue costs were set out in the 12 October 2015 cabinet paper. These were updated and revised in the 4 April 2016 Executive Decision.

This report does not revise the costs of the project as the cost plan has not been updated. The Building design has been developed through the production of the working drawings but there won't be a further development of the cost until later in November. This cost plan will be closely followed by subcontract tendering of the works and then reaching financial close by the end January 2017.

The full capital and one off revenue costs amount to £34.16m including the relocation of Central Library which has been subject to separate reports and has now been completed.

The Council's contribution remains at £10.06m with the remaining £24.10m (71%) coming from external grants. Of these grants £23.16m (96%) has been secured in principle including £15.77m from Heritage Lottery Funding (HLF) and £4.18m from Arts Council England (ACE) and a further £2.93m from Coastal Communities.

In the 4 April 2016 Executive decision it was agreed that, if both the HLF and ACE grants were secured that the outstanding external grants, totalling a sum of £4m, would be underwritten to allow the building works to commence. Since this decision the Wolfson Foundation has been secured and the Coastal Communities has been confirmed in principle, meaning that the underwrite position has fallen to under £1m with every intention to reduce this still further.

The total cost of the project is a combination of revenue and capital resources. The total capital investment is £29.91m and the revenue resource is £4.25m. The revenue resource is mostly funded from £3.59m HLF grant with the remaining £0.66m coming from the Council's revenue budgets built into the Medium Term Financial Plan in the Place department.

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 decanting of the museum and the construction projects involve a number of high risks, and so it has been important that professional support has been appointed at all stages of the project to be mindful of the hazards.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

It is recommended that Cabinet should:

- Note the content of this report including the risks identified
- Confirm acceptance of the HLF and ACE grants along with the agreement to the terms and conditions of the grants
- Indemnify our partner organisations for any potential funding clawback to allow the collections to be fully integrated into the History Centre
- Confirm the delegation of the decision for award of the contract (appointment of the works contractor) to the Strategic Director for Place in consultation with Councillor Glenn Jordan, Cabinet Member for Culture

The reason for these recommendations is to ensure that the History Centre programme is procured in good time for the Mayflower 400 celebrations.

Alternative options considered and rejected:

The History Centre programme has been formally considering options since 2010.

An options feasibility study was considered in summer 2013 before an HLF bid was made and a further 14 architectural options were considered throughout the development stage. At each design milestone an option appraisal is undertaken to reappraise if the proposals are continuing to meet the original objectives.

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
<http://web.plymouth.gov.uk/modgov?modgovlink=http%3A%2F%2Fdemocracy.plymouth.gov.uk%2FieDecisionDetails.aspx%3FID%3D2871>
- Published Executive Decision 4 April 2016

Background papers:

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

Sign off:

Fin	SRA- Fin1617 120 31/10/2016	Leg	MS/229 65/4	Mon Off	DVS2 6759.	HR	NA	Assets	NA	IT	NA	Strat Proc	NA
Originating SMT Member - David Draffan (Assistant Director for Economic Development)													
Has the Cabinet Member(s) agreed the content of the report? Yes													

INTRODUCTION

The History Centre brings together a unique combination of cultural and heritage collections and partners including the City Museum and Art Gallery, the Plymouth and West Devon Record Office (PWDRO), the Local History Collections of Central Library, the South West Film & Television Archive (SWFTA), the South West Image Bank (SWIB), University of Plymouth (including Peninsula Arts), the Naval Heritage Centre, the British Broadcasting Company and Plymouth College of Art.

The History Centre programme was initiated in September 2013 with proposals to submit a major application to the Heritage Lottery Fund (HLF). The proposal, described by HLF as “inspiring and compelling”, resulted in a £12.8m “in principle” funding approval. Officers have developed the detail of the proposals over an 18 month period through initially building a professional team with the correct experience and expertise to offer advice, but then developing the building and exhibition design proposals and evaluating the conservation requirements of the collections. In addition they have engaged with audiences and the community and developing an activity plan for the closure period during which the construction works will take place.

The building design details received full planning approval and Listed Building Consent in June 2016 and the building designs have been developing through the working drawing stage; the Council then appointed Willmott Dixon as contractors for the first stage of procurement in July 2016.

The details of the project were taken to Scrutiny on the on the 5th October 2016 and considered in some detail. There remains good cross party support for the project.

This report therefore seeks to:

- Update Members on the progress of the project and to report the outcome and implications of the funding applications.
- Agree to indemnify our partner organisations against any potential funding clawback to allow the collections to be fully integrated into the History Centre.
- Confirm the decision for appointment of the Contractor to the Director of Place in consultation with Cllr Glenn Jordan, Cabinet Member for Culture.

FINANCIAL MATTERS

The details of the capital and one off revenue costs were set out in the 12th October 2015 cabinet paper. These were updated and revised in the 4th April Executive Decision.

This report does not revise the costs of the project as the cost plan has not been updated. The Building design has been developed through the production of the working drawings but there won't be a further development of the cost until later in November. This cost plan will be closely followed by subcontract tendering of the works and then reaching financial close by the end January 2017. An Executive Decision will then be taken to let the contract. In the meantime, to get ready for the construction, an enabling package of works could start in January and February instructed through the pre-contract agreement with the contractor.

The full capital and one off revenue costs amount to £34.16m including the relocation of Central Library which has been subject to separate reports and has now been completed. The Council's contribution remains at £10.06m with the remaining £24.10m (71%) coming from external grants. Of these grants £23.16m (96%) has been secured in principle including £15.77m from Heritage Lottery

Funding (HLF) and £4.18m from the Arts Council England (ACE) and a further £2.93m from Coastal Communities. Currently £20.23m (67%) is totally secure with funding agreements in place.

In the 4th April Executive Decision it was agreed that, if both the HLF and ACE grants were secured that the outstanding external grants, totalling a sum of £4m, would be underwritten to allow the building works to commence. Since this decision the Wolfson Foundation has been secured and the Coastal Communities has been confirmed in principle, meaning that the underwrite position has fallen to under a £1m with every intention to reduce this still further.

The total cost of the project is a combination of revenue and capital resources. The total capital investment is £29.91m and the revenue resource is £4.25m. The revenue resource is mostly funded from £3.59m HLF grant with the remaining £0.66m coming from the Council's revenue budgets built into the Medium Term Financial Plan in the Place department.

Valued Added Tax (VAT)

The very size and aspiration of the project means the level of VAT recoverable on the project is significant running in excess of £6m which means the Council is likely to opt to tax the development in order to recover the VAT on the cost of the project. Going forward opting to tax the construction has implications for the ongoing operation and with this in mind research is underway to fully understand the implications and range of potential options for the operational delivery.

TERMS AND CONDITIONS OF THE GRANTS

Grant Awards and their Conditions: Heritage Lottery Fund

The Heritage Lottery Fund (HLF) awarded a development phase award in May 2013 of £940,300. In July 2016 they awarded an additional delivery phase award of £14,833,200, making a total award of £15,773,500.

The HLF delivery phase award requires a contractual arrangement which has the usual standard conditions that apply to all its capital grants, e.g.:

- the property may only be used for the approved purpose
- to maintain the property in good repair and condition and have adequate insurance
- to acknowledge the HLF on all publicity
- a proportion of the grant may need to be repayable if the capital project is not completed or there is a breach in the conditions

There is no charge being levied on the building.

The nature of the partnership for this project means that the collections of SWFTA and SWIB are fundamental to the proposals and HLF require these organisations, as legal entities, to be jointly and severally liable with the council as parties to the funding agreement in the event that there has been a breach of the standard conditions above.

In addition, the HLF requires the City Council, and its partners whose heritage collections are being maintained and provided for within the project, i.e. SWFTA and the Plymouth Barbican Trust (The legal entity of SWIB), to sign its standard contract with two further conditions:

- SWFTA agree to be bound by the terms of this Contract insofar as they relate to that part of the Collections vested in them;

- The Plymouth Barbican Trust agrees to be bound by the terms of this Contract insofar as they relate to The South West Image Bank SWIB being part of the Collections;

To resolve the above point it is proposed that the Council makes a formal agreement to indemnify SWFTA and SWIB against any possible clawback.

Grant Awards and their Conditions: Arts Council England

Arts Council England (ACE) awarded in October 2016 a capital grant of £4,175,000 to the History Centre project

Its standard conditions apply (similar to HLF's above). Although the following special conditions include:

- Security is obtained in the form of a 20 year deed of Covenant with restriction on title over PCC's freehold interest.
- Further benchmarking of overall capital costs against similar developments
- Further research/feasibility study into the impact of future charging for admissions.
- Contingency plans for Mayflower 400 events

No charge is being levied on the building.

Grant Awards and their Conditions: Coastal Communities Fund

The History Centre's Expression of Interest to the Coastal Communities Fund is being taken through to a full stage application for £2,930,000 to be submitted in December 2016. A decision is expected in Spring 2017.

A condition of the Fund is that if awarded a grant the offer must be accepted within one month and completion of the project is by December 2019.

MANAGEMENT OF RISK

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 decanting of the museum and the construction projects involve a number of high risks, and so it has been important that professional support has been appointed at all stages of the project to be mindful of the hazards.

Until the development of the History Centre and HLF funding was announced the programme was flagged as a red risk to the Council on the strategic risk register. This was because of the statutory powers of The National Archives (TNA), who were threatening to remove the records from the Council because the current premises for the PWDRO are not fit for purpose. This threat is in abeyance because of the strong commitment and progress shown by the Council in pushing ahead with the History Centre project. TNA are kept aware of progress. This project has to meet the stringent requirements of a number of external organisations including the TNA and the Government Indemnity Scheme (GIS) both of which have to be accredited for the History Centre to function post opening. The funders, including HLF and ACE, are also auditing the development of the project and the robustness of the ongoing business case. Both these funders have used external consultants to verify the Council's submissions and to review the proposed outcomes.

There remains the risks of the commercial price for the construction works is above the budgeted figure and this wont be known until the project reached financial close into the new year. However the Council has mitigated this risk by using a two stage procurement process that brings in the contractor in to manage the subcontractor pricing process and help develop the architectural details to get affordable prices for quality products. The contractor's view of the cost plan was that it was robust and that the quality that was aspired too was affordable.

CONCLUSION

Since the 2013 Cabinet decision to start the History Centre project, along with the strong political backing it has caught the imagination of the city and in turn has been a compelling case for external funders. The success of securing HLF, ACE and now also Coastal Communities funding has been a remarkable achievement. The securing of over £23m external grants so far places the Council in a secure place to proceed with project. There remain risks as would be expected; not least the risk of securing a commercial price for the construction that is within the budget, so this is not the complete position. However it is a major milestone to be considering the acceptance of so many substantial grant awards at this stage in the project.