

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	Wednesday 10 July 2013	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2581
TITLE:	Update on the Heritage Services Capital Investment Strategy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Heritage Service capital programme 2013/14 and 2014/15		

1 THE ISSUE

- 1.1 The Heritage Services Business Plan 2013-2018 agreed by Cabinet in April 2013 incorporated a capital investment strategy for the next five years and proposed the establishment of a 'Roman Baths Foundation' as a fundraising vehicle to support conservation and education in the Roman Baths.
- 1.2 This report provides further information on projects that now require further approval in order that works can progress, and requests formal approval for the creation of a Roman Baths Foundation.

2 RECOMMENDATION

The Cabinet agrees to:

- 2.1 Fully approve the capital budget for the Temple Precinct scheme, including the rephasing illustrated at Appendix 1;
- 2.2 Fully approve the transfer of £130k from the underspend on the Beau Street hoard to the budget provided for the Roman Baths infrastructure project to repair the Pump Room roof in the current financial year;
- 2.3 Note that the rolling programme of infrastructure works for the Roman Baths will be reviewed for 2014/15 in order to accommodate works to renew and relocate the gas supply pipe for the site;

- 2.4 Amend the provisional capital budget for the Beau Street hoard project, subject to further consideration following the forthcoming Stage 2 application to the Heritage Lottery Fund;
- 2.5 The formation of a fundraising charitable Roman Baths Foundation whose objects would be to support education and conservation at the Roman Baths and Temple site, with the remit and governance arrangements of the Foundation to be drawn up in consultation with the Cabinet Members for Sustainable Development and Resources.

3 FINANCIAL IMPLICATIONS

- 3.1 The capital programme currently includes provision for the projects included within this report as detailed at Appendix 1. The effect of the recommendations included in this report is demonstrated in the appendix and will involve:
 - Re-phasing of the fully approved amount provided for the Temple Precinct project
 - Re-phasing of the provisional amounts provided for the Beau Street coin hoard project, to be financed in full from external grants and fundraising
 - An increase of £130k in the fully approved amount provided for the Roman Baths infrastructure project involving repairs to the Pump Room roof in the current financial year.
- 3.2 The additional debt charges that will be incurred to finance the increase in cost of the Roman Baths infrastructure project will be financed from within existing budgets in the current year, and will be incorporated in the next revision of the Heritage Services Business Plan for 2014 to 2019.
- 3.3 The potential VAT impacts of the changes to capital investment and programming included in this report have been reviewed by the Council's VAT accountant.
- 3.4 The 'Roman Baths Foundation' will be established by the Service in accordance with the advice and requirements of the s.151 officer and Council Solicitor, and should have no adverse effects upon the Council's financial position.

4 CORPORATE OBJECTIVES

- 4.1 Heritage Services supports the Corporate objectives in the following ways:
- 4.2 Promoting independence and positive lives for everyone:
 - the Service makes its buildings and services as accessible as possible;
 - it makes concessions for seniors in its charges;
 - it ensures adequate public seating in its venues.
- 4.3 Creating neighbourhoods where people are proud to live:
 - the Service participates in the Bath Business Crime Reduction Partnership;

- it fosters pride in the district's museums and heritage through the unique residents' Discovery Card scheme;
- it enables people to trace their families and research their houses and neighbourhoods.

4.4 Building a stronger economy:

- the Service levers millions of pounds into the local economy each year;
- it is at the heart of the area's cultural life with rich museum and archive collections which help people understand and celebrate where they live;
- it makes a positive contribution to the Council's budget.

5 THE REPORT

5.1 The revised and updated Heritage Services Business Plan 2013-2018, approved by Cabinet in April 2013, included a five year programme of investment, both capital and revenue. This investment forms an important part of the business strategy that aims to:

- Sustain and improve the annual profit generated for the Council;
- Improve the visitor experience; and
- Conserve the historic assets for future generations.

5.2 The investment programme is subject to regular review, in partnership with colleagues in Property Services. Updates on the programme are provided to the Capital Strategy Group, and the programme is also subject to regular review and challenge by the Heritage Services Advisory Panel.

5.3 Recent reviews have revealed that changes to the programme will be required to take account of operational issues that have arisen. All of these changes have been reported to, and agreed with, the Capital Strategy Group. The issues concern:

The Beau Street Roman coin hoard:

5.4 This project will acquire, conserve and display this nationally important find, and will include new step-free public access arrangements in the museum, financed largely by a Heritage Lottery Fund (HLF) grant. Funds were obtained via a HLF Stage 1 grant to prepare a feasibility study. A Stage 2 application for the larger sum required to fund the full project will be made in August 2013 and a decision should be received three months later.

5.5 The feasibility study has demonstrated that the capital cost of the project in 2013/14 and 2014/15 is likely to reduce to a total of £288k (£135k less than previously estimated), and that this will need to be re-phased between financial years. The Authority has already invested £50k in this project in 2011/12 in order that the coins could be conserved and prepared for valuation. No further funds will be required from the Authority for this project, as the full cost in 2013/14 and 2014/15 will be met from external grants and fundraising.

5.6 The Capital Strategy Group has recommended that the provisional capital programme should be amended to reflect the revised capital cost and re-phasing

suggested by the feasibility study. A full report will be provided to CSG when the result of the Stage 2 lottery application is known.

Temple Precinct:

- 5.7 This project will provide a new step-free walkway across the site and new interpretation to the quality standard achieved in the 2006-2011 development of the Roman Baths site. The project implementation timetable has been reviewed and it has become clear that works will have to be undertaken in two separate phases in order to avoid disruption to visitors and potential adverse effects on income.
- 5.8 The provisional capital programme currently assumes that the full cost of the project (£750k) will take place in 2013/14. However, the implementation programme now proposed involves the completion of the first phase of works during the low tourist season in the current financial year (November – to February), with phase two taking place in the same period in 2014/15. This will require the re-phasing of the capital budget for the project, with works totalling £100k taking place in 2014/15.
- 5.9 Capital Strategy Group (CSG) has previously recommended to Cabinet that the project should be moved from “provisional” to “full” status within the capital programme. CSG has now recommended that the capital provision be re-phased as indicated above.

Roman Baths / Pump Room infrastructure – Pump Room roof:

- 5.10 The on-going annual programme of infrastructure works includes monument conservation and the replacement and renewal of major items of plant and equipment. The amount invested and the amortisation period depends upon the works required in each year.
- 5.11 The works included in the full capital programme for the current financial year include an allocation of £100k to replace the Pump Room roof. Detailed investigations by Property Services have recently revealed that the extent of works required and the cost will be greater than originally expected.
- 5.12 Capital Strategy Group has recommended that the works be carried out in the current financial year in order to reduce the deterioration of the asset and the risk of an impact on visitors and income. Following the preparation by Property Services of an outline specification for the work, this will require an increase in the capital budget for this project of £130k in 2013/14.

Roman Baths / Pump Room complex infrastructure – gas supply pipe:

- 5.13 The gas pipe supplying the complex is in poor condition. Investigative work in advance of the project to display the Beau Street Hoard access works in the Museum has recently revealed that it will have to be moved to allow the installation of a platform lift. However, the rolling annual programme of infrastructure works for the next five financial years does not currently include provision for the renewal and re-location of the pipe.
- 5.14 The annual programme of infrastructure works is reviewed annually by the Capital Strategy Group. The next review will include a re-prioritisation of the programme that will provide for the renewal and relocation of the gas pipe in 2014/15.

Access to external grants: the Roman Baths Foundation:

- 5.15 A Stage 1 application was made to the Heritage Lottery Fund (HLF) in June 2013 for development funds for the preparation of a major Stage 2 application for a substantial grant to finance the Archway Project. This will consist of a Roman Baths Learning Centre, a new World Heritage Interpretation Centre and new public access to Roman remains currently not on view. The development in Swallow Street and York Street will include a dramatic under-street link through into the Roman Baths and will provide state-of-the-art educational facilities, sustaining the school group market and income stream in the short term but, in the longer term, building the audiences of tomorrow.
- 5.16 Capital Strategy Group has agreed that further work to review the feasibility of the project can proceed, funded from within existing budgets, and that it will review this project in more detail following the result of the initial HLF application.
- 5.17 The Archway Project will be substantially financed from external grant aid, including sources other than the HLF. However, access to such grants is not always available to Local Authorities.
- 5.18 In order to facilitate access to such funds it is proposed that the Council establish a 'Roman Baths Foundation', a fundraising development trust whose long term objects would be to support conservation and education in the Roman Baths but which, in the short term, would seek to raise funds for the Archway Project.
- 5.19 This kind of charitable vehicle was recently used to great effect by Bristol City Council as a way of raising funds for its new M-Shed museum development.

6 RISK MANAGEMENT

- 6.1 The report author and Lead Cabinet Member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

- 7.1 An Equalities Impact Assessment of the Heritage Service Business Plan, which incorporates the capital investment strategy, was undertaken as part of the wider Service equalities impact action plan that looked at all business and non-business activities across the Service.

8 RATIONALE

- 8.1 The capital investment strategy is subject to continuous review, and operational issues can require amendments to be made to individual projects to reflect issues that arise. All projects are constrained by the overriding requirement to minimise the effect on visitors and income, which severely constrains the time available to undertake projects and can add to the costs of such works.
- 8.2 The phasing of projects across financial years must take account not only of time constraints caused by the tourist season but also the potential effect upon the Council's VAT position.

8.3 The creation of a 'Roman Baths Foundation' as a fundraising vehicle for major capital projects will potentially provide the Council with access to new sources of external funds to support conservation and education work at the Roman Baths.

9 OTHER OPTIONS CONSIDERED

9.1 The Temple Precinct project addresses a "gap" in the improvement to the visitor experience and increased accessibility that has been carried out across the majority of the site since 2006. The other changes proposed to the capital programme are required to address specific operational issues and constraints.

9.2 A delay in repairing the Pump Room roof would increase the risk of deterioration of the asset and could also impact on the visitor experience and income.

9.3 The Roman Baths Foundation provides the possibility of increased grant funding. If the Foundation is not established the Council's ability to finance projects such as the Roman Baths Learning Centre from external sources of funds will be constrained significantly.

10 CONSULTATION

10.1 Cabinet member; Staff; Service Users; Local Residents; Section 151 Finance Officer; Monitoring Officer. Strategic Director for Place and Divisional Director, Planning & Transportation.

10.2 The investment programme has been the subject of regular review and challenge by the Heritage Services Advisory Panel.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 Customer Focus; Sustainability.

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director, Legal and Democratic Services) and Section 151 Officer (Divisional Director, Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Stephen Bird, Head of Heritage Services: 01225 477750
Sponsoring Cabinet Member	Councillor Ben Stevens (Sustainable Development)
Background papers	Heritage Services Business Plan 2013 – 2018: Cabinet, April 10 2013
Please contact the report author if you need to access this report in an alternative format	