

REPORT TO THE CABINET

16 July, 2013

Cabinet Member: Cllr John Wynn Jones

Subject: Gwynedd Museum and Art Gallery Development and its implications for Bishop's Palace (Town Hall), Bangor.

Contact Officer: Sioned E Williams / Roland Evans

Decision sought

Part A

- To approve the new partnership with Bangor University to develop a new transformational and sustainable operational model for the Gwynedd Museum and Art Gallery on the basis of a hub and spoke model.
- To approve the use of Bishop's Palace, Bangor (Town Hall) as a new location for the Gwynedd Museum and Art Gallery that will also act as an access point to Gwynedd Council services and a tourist information point.
- To approve a contribution of £150,000 from the Council's Match Funding Fund towards the project.
- To support the bid for £2.6m that has been submitted to the Lottery Heritage Fund for implementing the new Business Case.

Part B

- To approve the relocation of Gwynedd Council staff currently located in Bishop's Palace, Bangor to alternative offices in Bangor or in the vicinity of Bangor / Caernarfon, with options to be fully developed and agreed by the Cabinet member and relevant Services.
- That the Economy and Community Department strive to reduce the costs of relocation and the one off costs as much as possible and that the Cabinet, conditional on satisfying the Head of Finance (in consultation with the Corporate Management Team) with regards the requirements and the business case, approve:
 - Allocating a total of £174,000 to be funded from current funds to 'bridge' the cost of alternative office accommodation which will be up to £43,500 per year over a maximum of 4 years.
 - Allocating up to £25,000, again from current funds to meet the one off costs of relocating staff and identifying offices; in addition to the additional costs of providing space for Siop Gwynedd.

Local member's views

Cllr. Gwynfor Edwards:

Introduction

- 1) During Gwynedd Council's Board meeting on 6 March 2012, agreement was reached on the following:

To support the principle of developing and agreeing on formal collaboration arrangements with Bangor University to safeguard and provide the services of Gwynedd Museum and Art Gallery; and that specific proposals for the Bishop's Palace are developed and discussed in full internally and externally to the Council so that a complete business case can be agreed before any final decision on its use is made.

- 2) The work on developing proposals has now been completed, and a full business case has been agreed upon. These elements are highlighted within this report.

Vision

- 3) Following thorough research and consultation, a clear vision and objectives have been developed for this scheme:
 - a) To create a long-term sustainable framework and model for the Gwynedd Museum and Art Gallery (GMAG).
 - b) To secure a substantial investment in the Council's principle building in Bangor and a building of national historical importance.
 - c) To develop the role of Bangor as an important Regional City and to create a heritage and culture destination with Pontio, the Cathedral and the high street in Bangor.

Relevant considerations

Part A

The Case for Change and Round 1 of the Lottery Heritage Fund (HLF)

- 4) Between 2009 and 2012, collaboration arrangements were established between Bangor University and Gwynedd Council with other key partners for the future development of the museum and gallery. With funding of around £130,000 from CyMAL (Welsh Government), the financial deficit in the Museum and Art Gallery's budget was funded, and a number of strategic and developmental documents were produced.
- 5) Following a comprehensive options review, the 5 case Business Case which has been developed outlines a possible future for GMAG in Bishop's Palace, and emphasises the importance of the support from the core partners as well as broadening GMAG's appeal amongst current and new stakeholders. A summary of the Business Case is available upon request.
- 6) The funding model which is recommended is dependent upon the continuation of the core partners' contributions - Gwynedd Council and Bangor University, as well as income generation through the operation of the café and shop, hiring of meeting rooms, events, activities and commission from sales. Confirmation of permanent revenue funding has been received from the University, and successful discussions have been held with Cadw in order to forge a partnership for the receipt of revenue contributions for the development of community heritage.
- 7) It should be noted that the staffing structure as recommended for the future can be flexible, and is dependent upon the service's ability to target specific grants during the project's lifespan and beyond.
- 8) Following the Board's support and on the basis of the 5 case business case, a successful developmental bid was submitted to the Heritage Lottery Fund (HLF) in 2012, to the value of £193,400. £158,400 of HLF funding and £25,000 of Môn a Menai funding was secured towards the project.
- 9) During Round 1, detailed plans were developed to renovate Bishop's Palace, the condition of the collections within the Gwynedd Museum and Gallery, Bangor University and the Town Hall were researched, and numerous consultation sessions were held across Gwynedd.

10) In addition, an Activities Plan and an Interpretation Plan were developed, and a Learning Strategy for the development will be produced soon. The project's Original Business Plan was reviewed, and match funding to the value of £400,000 was secured from Môn a Menai in principle, dependent upon the Minister's approval.

Lottery Heritage Fund Round 2 Application

11) A joint application was submitted between Gwynedd Council and Bangor University to the HLF Round 2 on 14 June 2013. Planning applications were submitted in April 2013.

- 12) A copy of the Round 2 application is available upon request, but the work broadly includes:
- The redevelopment of the Bishop's Palace to interpret the Story of Gwynedd and direct visitors to other sites within the county and the relocation of current council staff from the Bishop's Palace to other offices.
 - Develop a series of Gwynedd Museum and Gallery 'spokes' in existing locations across Gwynedd to facilitate access to Gwynedd's heritage and arts. An example of the hub and spoke model can be found in **Appendix A**.
 - Develop a heritage network for Gwynedd in order to jointly interpret the 'Story of Gwynedd'.
 - Develop, promote and run a network of volunteers in the Gwynedd Museum and Art Gallery and at other sites.
 - Develop Bangor's hidden collections and heritage and arts projects across Gwynedd.

13) The outline costs for Round 2 are listed below:

Heading	Total Cost
Further development costs	£128,999
Capital costs	£2,082,610
Activity costs	£362,267
Other project costs (including volunteers)	£69,198
Round 2 Total	£2,643,074

14) These costs will be funded from a number of sources, with Gwynedd Council and the University each contributing £250,000.

15) Gwynedd Council's contribution consists of £100,000 which has been prioritised from the Department's Capital Receipts and an application is made for £150,000 from the Council's Match Funding Fund. Although this is not an European funded project, the funds available in the Environment for Growth (E4G) theme have now been committed; the activities within this project correspond to this theme and are eligible. This project also corresponds entirely with the aims of the 'Our Heritage' Convergence project and will ensure the sustainability of the investments made through that project. If this project succeeds, the Department is considering the possibility of submitting a strategic application to the new European Funds in 2014 / 2015, which could, possibly be a retrospective project.

16) An application for £1.4m has been made to the Heritage Lottery Fund, and £400,000 has been allocated in principle, dependent on Ministerial approval, from the Môn a Menai Regeneration programme. The project's budget can be seen in **Appendix B**.

PART B

17) Any change to the use of Bishop's Palace could lead to changes in the existing service provision in Bangor. Some Parking Enforcement Officers and Provider Service Officers have

already been relocated, but around 25 staff from the Registration, Homelessness, and Joint Planning Policy services remain in Bishop's Palace.

- 18) As the Council does not own any other properties in Bangor for the relocation of the remaining services, new office premises must be found in Bangor or its vicinity, or in Caernarfon.
- 19) An options appraisal has been conducted, and a short list of options to be further developed has been drafted before a decision is made:
 - a) Hafod Elfyn Site (the former Countryside Council's offices in Penrhosgarnedd): This space could accommodate all the services at a cost which reflects its size and facilities. The building is located on a bus route and there is sufficient parking for staff and visitors.
 - b) Dean Street Offices: These could only accommodate the Homelessness service as this service could not be located at Hafod Elfyn.
 - c) Bangor City Council Offices near Penrhyn Hall: There are discussions underway with Bangor City Council to consider locating the staff from one service here. The City Council is in the process of investing in their offices.
 - d) Ysbyty Gwynedd, Bishop's Palace and Caernarfon: Discussions are continuing on the provision of some services from these locations.
- 20) Although the current budget for Bishop's Palace will be transferred, it is estimated that the maximum additional rental costs required for accommodating the new services will be around £40,000 if the most expensive option is approved. If the most cost effective option is approved, this sum could be around £15,000. In addition, there will be annual telephone and ICT network costs of around £3,500.
- 21) In addition to permanent annual additional rent and rate costs, one-off costs will also be required for the relocation of staff and office repairs. A report will be brought to the Cabinet on these costs following further research, but this could be at least £25,000.
- 22) If there is a desire to develop a Siop Gwynedd in Bangor; although it is not the best scenario and would restrict space; further discussions could take place on releasing a location in Bishop's Palace, and for Museum and Gallery staff to provide elements of this service. The exact nature of the service available will be discussed further, and there will be additional one-off costs involved with the development of Siop Gwynedd within the building.
- 23) A Report was presented to the Corporate Management Team on 22 May. The CMT was of the view that the Department should try to fill the financial gap as far as possible, and offered to bridge the gap for a period of time with the exact sum needed, dependent upon the detail of the business case and the Council's needs.

Reasons for recommending the decision

- 24) This is an exciting project which will attract additional external investment over and above the 9.5% investment by Gwynedd Council. Bishop's Palace requires substantial investment to safeguard it, and this project will enable this by working in partnership.
- 25) A joint Board will be established with Bangor University to manage the service during the HLF funding period, with the intention of establishing an arms-length body to operate the museum on behalf of the two core partners beyond this period.

- 26) Although the development will be focused on Bangor, the project offers far-reaching opportunities for citizens across the County to engage with heritage and the arts.
- 27) Although there are implications in relocating the Council's existing services in Bangor to other locations within the city and its vicinity, the project will also improve citizens' access to all the Council's services in Bangor through the provision of Siop Gwynedd.

Next steps and timetable

Key Period	Activity
June – September 2013	Procurement of building contractors to RIBA H
September 2013	HLF decision and appointment of building contractors
September – December 2013	Relocation of existing Bishop's Palace Services to new offices
Nov. –Dec. 2014	Repairs, building and furnishing work on Bishop's Palace
September – March 2015	Installation of internal furnishings and exhibitions
Spring / Summer 2015	Official opening
September 2013 – September 2016	HLF project activities e.g. engagement/education/interpretation etc
2016 – 2018	Agree arrangements for the establishment of an arms-length body to operate GMAG on behalf of the Council and the University (but both bodies to remain core partners)

Views of the Statutory Officers

Chief Executive:

“Discussions regarding this possible development have been ongoing for some time and the investment that could be attracted through this long awaited development is significant. However, during this time, the context in which the Council is operating has changed significantly. Currently, it is possible to continue to prioritise this matter, but the Cabinet must be fully aware that prioritising any project will have clear consequences, during a time when it will be necessary to implement cuts to fund optional developments in the future.

The fundamental question is the priority that the Cabinet gives to the project, however, dependent on that, the recommendations provided do provide a way forward”.

Monitoring Officer:

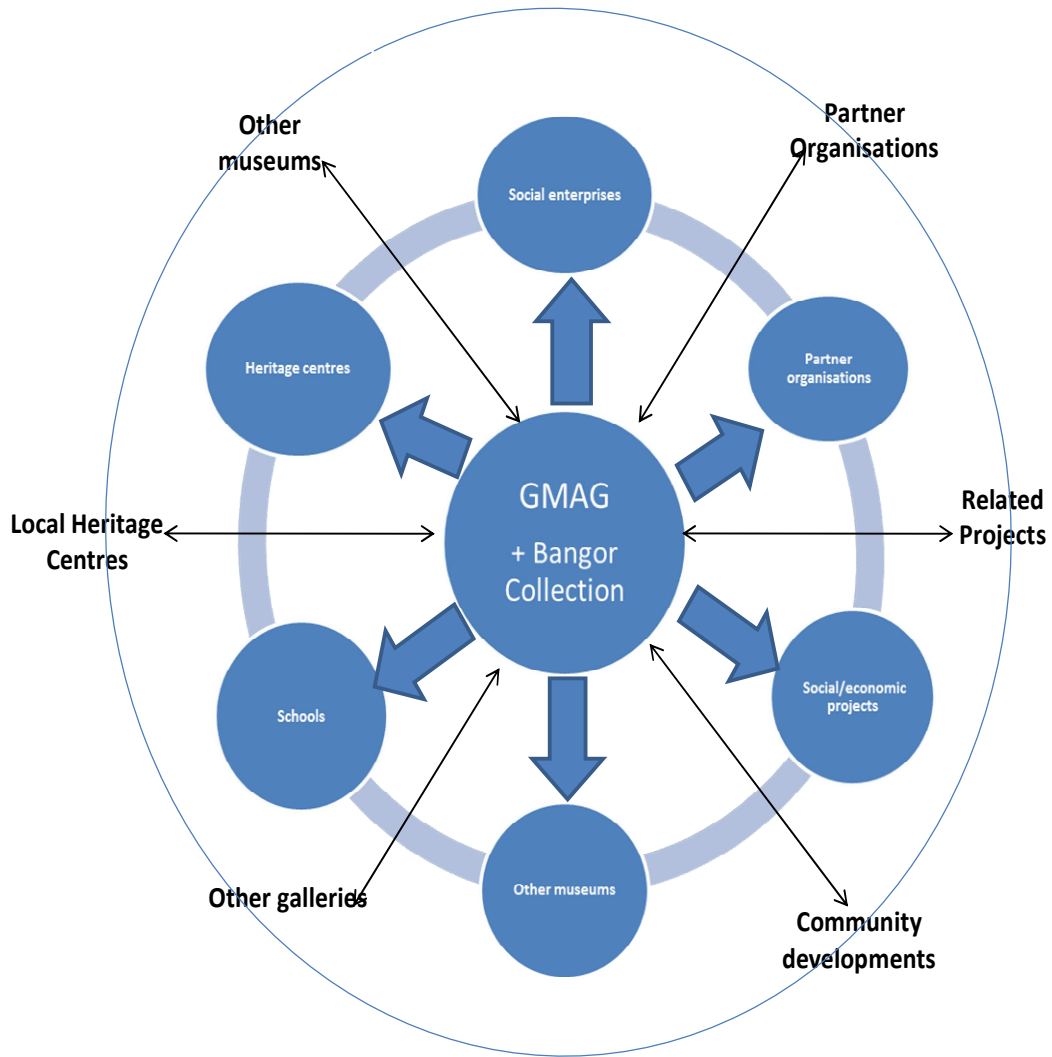
“I support the condition that the Head of Finance should be satisfied with the business case”

Head of Finance Department:

Part A: “I accept the reasoning of the author of this project that to re-locate Gwynedd Museum and Art Gallery to the Town Hall, Bangor, is a rare option that could succeed in becoming an attractive opportunity for the city and the Council, with significant investment and annual revenue income attached to the project. Due to these reasons I understand that this project will be prioritised by the Economy & Community Department over other projects for funding from the Match Funding Fund, and along with capital receipts the Department is of the opinion that the Match Funding Fund is sufficient for the project and their other priorities.”

Part B: It is a matter for Cabinet Members (having considered the advice of the Corporate Management Team and relevant officers) to prioritise appropriately, and I confirm that if the Cabinet confirms its wish to prioritise the project to relocate the Gwynedd Museum & Art Gallery to the Town Hall, Bangor, then I will work with the Head of Economy and Community to ensure that £199,000 from current funds will be secured to contribute towards its funding. I have worked with the author to prepare the draft decision (Part B) with the condition regarding the need and the business case, and due to the grant timetable requiring that this is presented to the Formal Cabinet on 16/07/13; it is not possible to delay its presentation until September.

Example of the hub and spoke model



Appendix B

Lottery Heritage Fund Round 2 financial contributions

Description	Secured?	Amount	Percentage
Môn – Menai	Yes (subject to Ministerial approval)	£400,000	15%
Bangor University	Yes	£250,000	9.5%
Gwynedd Council	Yes*	£250,000	9.5%
Arts Council for Wales	Have been invited to submit a full application by August 20 2013.	£100,000	4%
Other funding	(Clore / Garfield Weston / Cadw / Magnox) to be submitted Summer 2013	£158,640	6%
Cadw	Yes	£35,000	1%
Volunteer time	-	£49,400	2%
HLF	June 2013	£1,400,000	53%
Total		£2,643,040	100%

**£100,00 has been prioritised from the Department's capital receipts and an application for £150,000 is to be submitted to Gwynedd Councils' Match Funding Fund*