

**CABINET – 1 APRIL 2014****SNIBSTON PROPOSED FUTURE OFFER****JOINT REPORT OF THE DIRECTORS OF ADULTS & COMMUNITIES  
AND CORPORATE RESOURCES****PART A****Purpose of report**

1. To report on the proposed future offer at Snibston based around the mining heritage and colliery assets and to seek approval to progress with the necessary consultation process with the public and stakeholders on the proposed changes.

**Recommendations**

2. That the Cabinet be recommended to:
  - a) note the findings arising from the analysis of the current and proposed future offer.
  - b) To commence with the consultation process on the proposed future offer, as set out in this report, with a view to meeting the subsequent reporting and decision timetable detailed below.

**Reasons for Recommendation**

3. To start consultation on the proposals set out in this report that will enable the County Council to make the revenue savings as set out in the Medium Term Financial Strategy (MTFS).

**Timetable for Decision (including Scrutiny)**

4. The consultation will take place for 12 weeks from April to June. The outcome of the consultation and proposed way forward will be submitted to the Cabinet on 12th September.

5. A report will be submitted to the Adults and Communities Overview and Scrutiny Committee in June as part of the consultation.

### **Policy Framework and Previous Decisions**

6. The County Council's overall MTFs saving requirement for the period 2013/14 to 2017/18 is £110m. In order to achieve this figure, the County Council has drawn up a programme of deliverable revenue savings across all service delivery areas. The agreed MTFs revenue saving for Snibston is £240,000 per annum from 2015/16 (£60,000 part year in 2014/15).
7. At its meeting on 19 February 2014 the County Council agreed the MTFs including the saving proposals in relation to Snibston. The Leader advised the Council that the intention was to consult on the way forward regarding Snibston and that it would be open to anyone or any group with an interest to respond to the consultation. The Cabinet would give careful consideration to the consultation responses before coming to a view.
8. The County Council has a statutory obligation to ensure the maintenance of the Scheduled Ancient Monument (SAM) which forms the historic core of the Snibston site. To date, the Council has invested £1.9m in restoration works with the intention that, as a consequence, English Heritage will agree to remove the SAM from its Buildings at Risk register.

### **Resource Implications**

9. In 2013/14 Snibston was budgeted to cost £740,000 net of all income. However, the forecast position at year end is a net cost of £850,000. The increase of £110,000 is because of a reduction in visitor numbers of circa 10% over the last year and a resulting reduction in income. This is the second year in a row visitor numbers have fallen.
10. If no changes are made to Snibston, the steady state net cost is expected to increase in later years to circa £900,000 and if visitor numbers continue to fall costs could increase further.
11. The current Snibston Discovery Museum gallery building has a significant backlog of maintenance arising from the need for roof and other repairs. Over the next 5 years £2.2m investment would be required to address the priority issues.
12. The proposed offer set out in this report would have ongoing steady state revenue costs of circa £350,000. This equates to a saving of £550,000 compared to the steady state status quo. This will exceed the MTFs savings

target of £240,000 by 2015/16 with savings of £390,000 forecast to be achieved compared to the budget . There will be transitional costs associated with the proposal. The key ones are set out below:

- Capital investment in the new facility of £1.2m
  - Contingent liabilities of up to £730,000. These relate to previous grants including the fashion gallery. Discussions will need to take place with the Heritage Lottery Fund and if alternative display in an accredited museum can be agreed, this cost could be mitigated.
  - There will also be transitional costs including those associated with storage and transportation of the existing exhibits. It has not been possible to quantify these at this stage. However, the County Council will seek to minimise costs by working with partners such as the Leicester City Museums service and utilising cost effective storage facilities.
13. The upfront capital costs will be mitigated by the use of capital receipts from the sale of land and an allowance has been included in estimating the receipts in light of National Coal Board covenants on parts of the site. Discussions will be held with the Coal Authority with a view to reducing the impact of these covenants on capital receipts.
14. Comparison of the status quo and the proposed option using discounted cash flow shows that the proposed offer would save £9.4m discounted over a 25 year period.

#### **Circulation under the Local Issues Alert Procedure**

15. Dr T Eynon CC as local member. A copy has also been sent to County Councillors representing the area covered by North West Leicestershire District Council.

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**PART B****Background Context**

16. The County Council's overall MTFs savings requirement for the period 2013/14 to 2017/18 is £110m. In order to achieve this figure, the County Council has drawn up a programme of deliverable revenue savings across all service delivery areas.
17. The MTFs (2014) includes a proposal to redevelop Snibston with a new offer focused on mining heritage and former colliery buildings. As a consequence, Snibston Discovery Museum in its current form would close.
18. The current Snibston Museum is the largest in the county-wide network of County Council museums telling the story of Leicestershire over 2,000 years. The permanent and temporary displays showcase the science, industry, design and technology of the county and contribute to the wider heritage of the region.
19. The required MTFs (2014) revenue savings in respect of Snibston are £240,000 pa as from 2015/16. In its current form (2013/14), the Snibston Discovery Museum is operating at a net annual revenue cost of c£850,000. The deteriorating financial position compared to the net budget of £740,000 largely reflects falling visitor numbers.
20. The Snibston colliery site comprises buildings dating from the 19<sup>th</sup> and 20<sup>th</sup> centuries and has considerable national as well as local heritage significance. Snibston colliery was originally created by pioneer railway engineer George Stephenson, who acquired the estate in 1829 and opened the Number 1 Pit in 1831. Additional land was bought in 1832 and Number 2 Pit (the surviving colliery) began to produce coal in 1833. Snibston colliery eventually closed in 1983 after running continuously for 150 years. Snibston colliery is representative of the growth of industry in the East Midlands and the sinking of the mines was set against a planned expansion of the railway system, in which George Stephenson was also actively involved.
21. Parts of the former Snibston colliery were designated by English Heritage in 1999 as a Scheduled Ancient Monument (SAM), shown edged red on the plan in Appendix A. Snibston colliery is regarded as one of the five most important collieries in Britain that have been preserved and which are likely to survive into the foreseeable future because they lie in public ownership and are subject to statutory protections. Additionally, Snibston colliery is unique within this group as the only surviving example of a coal mine modernised post

World War Two, housing a nationally important collection of mining machinery, equipment, fixtures and fittings and prototype technologies.

22. At a local level, Snibston colliery is a valued part of the mining economy and culture legacy that forged the identity of Coalville and the wider regions of north west Leicestershire and the East Midlands. Snibston colliery is closely associated with the experiences and memories of the local community, a large proportion of whom were engaged in coal production at the site for over a century and a half.
23. The County Council has a statutory responsibility, as owner of the property, to preserve the SAM. The Council has recently completed £1.9m investment into ongoing repair works to the colliery buildings which includes works to remove the SAM from the English Heritage 'At Risk' Register. Even if the Council opted to mothball the SAM and colliery assets and cease delivering any form of public access or service other than the continued operation of the Century Theatre, there would be further upfront capital costs, including those relating to the contingent liabilities, in the order of £1.1m and an on-going annual net revenue cost of around £225,000 per annum.

### **Proposals**

24. The future proposed Snibston colliery mining museum will be formed around the historic core of the colliery buildings and will focus on the SAM and the associated buildings of interest. The museum will tell the story of the Snibston mine, the people associated with it, and the wider context for coal mining in Leicestershire. In addition to the colliery buildings the physical scope of the offer will include the Century Theatre, the mineral railway line, the play area and car parking facilities as illustrated on the site plan in Appendix A.
25. Museum collections retained for the purposes of the future museum will be either stored or displayed in upgraded accommodation within the existing colliery buildings or within the external areas of the site. All other museum objects that remain within the museum building following the closure of Snibston Discovery Museum will be removed from the site and items will either be returned to the Council's museum stores or transferred to alternative accredited museums or non-accredited museum collections/bodies if appropriate.
26. The existing main gallery building would be demolished and cleared and land that will be surplus to the future proposed mining museum would be released for alternative re-development. The existing site access way off Ashby Road will be retained and will be extended to lead to a new car park adjacent to the play area. The original Ashby Road entrance to the colliery may also be

incorporated within the design of the new mining museum if compatible with on-site visitor access and circulation. The extension to the existing site access would enable improved access links between the future mining museum and the Country Park including access to the existing surfaced car parking in the Country Park - this could be useful as overflow for the future mining museum. The more effective integration between the mining museum and the Country Park creates opportunities for developing new amenities within the Country Park, subject to business case, such as additional planting, landscaping, pedestrian and cycle routes. The existence of open green space in the form of an improved Country Park is likely to become an increasingly valuable local community facility as the proposed new housing surrounding the Snibston site becomes developed.

27. The new mining museum will be open to the public upon the completion of the improvement works and the installation of the new displays and interpretation works to the colliery buildings and the clearance of the former gallery site and external areas. This work is expected to be completed and the new mining museum to be opened to the public by the end of 2015. Visitors to the new mining museum will be able to access the new displays and buildings' interiors via guided tours following a planned route. Educational activities will take place in the Century Theatre. The Theatre itself will continue to be open as at present for community and leisure purposes. Volunteer working and links with the community will be actively developed and there is a possibility that the future museum could be transferred to a suitable community trust/voluntary group. A small entrance fee has been estimated at £3 per adult and £2 per child for the guided tour of the colliery and £3 per adult and £2 per child for a train ride on the mineral line.
28. There are various permutations to the possible opening hours and levels of accessibility that could be applied to the future mining museum. Options range from a full-time seven days a week operation offering guided tours, train journeys and educational services to a much reduced model based on opening the museum by special arrangement and for heritage open days only. The delivery option that provides the best fit with revenue funding targets as well as providing an attractive offer to the public is based on the mining museum being open at weekends, bank holidays and during school holidays, providing colliery guided tours and train rides. In addition, educational visits could be arranged on weekdays by prior appointment. The additional net marginal cost of providing an educational visit would be re-charged to the customer.

**Financial and Staffing Implications**

29. The proposed mining museum offer would deliver substantial revenue savings when compared with the status quo of the current museum and would exceed the MTFS savings target of £240,000 by 2015/16.
30. At present Snibston has a forecasted net cost of £850,000 by year end 2013/14. The steady state net cost of continuing with the status quo is expected to increase in later years to circa £900,000 and if visitor numbers continue to fall could increase further.
31. The proposed mining museum would have ongoing steady state revenue cost of circa £350,000. This equates to a saving of £550,000 compared to the status quo.
32. With regards to capital costs, the current Snibston Discovery museum gallery has a significant backlog of maintenance arising from the need for roof and other priority repairs. Over the next 5 years £2.2m investment, including capital works of £1.4m, would be required to address these issues.
33. The proposed mining museum requires a capital investment of £1.2m to create the new facility. In addition, there are contingent liability costs amounting to £730,000 relating to grants including the fashion collection. It may be possible to mitigate these costs if the collections can be re-accommodated in alternative accredited museum facilities, subject to the agreement of the Heritage Lottery Fund.
34. There will also be costs associated with storage and transportation of the existing exhibits. It has not been possible to quantify these at this stage. However, the County Council will seek to minimise costs by working with partners such as the Leicester City Museum service and utilising cost effective storage.
35. The upfront capital costs for the proposed mining museum will be mitigated by the use of capital receipts from the sale of cleared and surplus land. An allowance has been included in estimating receipts for the effect of the National Coal Board covenants. There may be scope to mitigate their impact in discussion with the Coal Authority.
36. The discounted cash flow appraisal of the status quo and the proposed mining museum over a 25-year lifecycle period reveals that the proposed offer would save a total £9.4m. As explained above, it would be necessary to deduct the storage and transportation costs relating to the exhibits in the existing Snibston Discovery Museum when these are known.

37. If the proposal for a new mining museum is implemented there will be implications for the current staff and volunteers, including redundancies. Staff and volunteer feedback will form part of the consultation. An appropriate action plan would be drawn up with further consultation with staff in due course.
38. A full Health and Safety report and action plan would also be undertaken and any additional requirements that have not already been anticipated and allowed for would need to be incorporated.

### **Consultations**

39. A formal consultation exercise will be undertaken in April - June 2014 with a view to reporting to Cabinet on 12 September 2014. An outline of the consultation arrangements was reported to the Cabinet in March 2014.

### **Conclusion**

40. The proposed mining museum would deliver considerable revenue savings when compared with the current Snibston Discovery Museum and would exceed the required MTFS savings targets. The net capital cost of the proposed mining museum is less than the capital investment required to continue with the current Snibston museum but it should be noted that there would be additional upfront costs, that remain to be quantified, associated with the transportation and storage of exhibits displaced through the closure of Snibston Discovery Museum.
41. As owner of the Snibston colliery assets the County Council has unavoidable fixed capital and annual revenue costs associated with keeping the site safe, maintaining the buildings and preserving the SAM. Going a step further and providing a new mining museum around these colliery assets means that the public can continue to have access to these buildings and exhibits and the mining heritage and history are not lost. The additional net steady state revenue cost of creating this visitor experience is £125,000 pa.

### **Background Papers**

42. MTFS reports and minutes from the following meetings:-

- Adults and Communities Scrutiny Committee on 21<sup>st</sup> January 2014  
[http://politics.leics.gov.uk/Published/C00001040/M00003910/AI00036718/\\$MTFS.docxA.ps.pdf](http://politics.leics.gov.uk/Published/C00001040/M00003910/AI00036718/$MTFS.docxA.ps.pdf)

- Cabinet on 4<sup>th</sup> February 2014  
[http://politics.leics.gov.uk/Published/C00000135/M00003987/AI00036934/\\$MTFSCabinetReport4Feb2014.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003987/AI00036934/$MTFSCabinetReport4Feb2014.docA.ps.pdf)



- County Council on 19<sup>th</sup> February 2014

[http://politics.leics.gov.uk/Published/C00000134/M00003961/AI00037151/\\$5aBudgetReportoftheCabinet.docx.pdf](http://politics.leics.gov.uk/Published/C00000134/M00003961/AI00037151/$5aBudgetReportoftheCabinet.docx.pdf)

- Cabinet on 5<sup>th</sup> March 2014

[http://politics.leics.gov.uk/Published/C00000135/M00003988/AI00037286/\\$5consultationonfutureofsnibston.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003988/AI00037286/$5consultationonfutureofsnibston.docA.ps.pdf)

### **Equal Opportunities Implications**

43. The Council's duty under the Equality Act needs to be taken into account when coming to any decision. An impact assessment of the proposals has been undertaken (Appendix B). It is clear from the impact analysis that a range of groups/individuals has been identified as being impacted by the proposed model and also a range of mitigating factors to address these impacts has also been considered. This impact analysis will be reviewed in light of the public consultation to produce a revised analysis prior to any final decisions about the service being taken.

### **List of Appendices.**

Appendix A: Site Plan

Appendix B: Equality Impact Assessment

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