



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE:
10 JUNE 2014

CONSULTATION ON SNIBSTON PROPOSED FUTURE OFFER

**JOINT REPORT OF THE DIRECTORS OF ADULTS AND
COMMUNITIES AND CORPORATE RESOURCES**

Purpose of report

- 1 The purpose of this report is to seek the views of the Adults and Communities Overview and Scrutiny Committee on the proposed future offer at Snibston based around the mining heritage and colliery assets. These proposals are currently out for public consultation and the Committee is being invited to comment, as part of the consultation process.

Policy Framework and Previous Decisions

- 2 The County Council's overall Medium Term Financial Strategy (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).
- 3 The Adults and Communities Overview and Scrutiny Committee, at its meeting on 21 January 2014, considered the draft MTFS proposals including S35 – Redevelopment of Snibston. An extract from the minutes of that meeting relating Snibston is attached as Appendix 1. As part of the MTFS process information was requested by members relating to Contingent Liabilities and Covenants associated with Snibston. This information was included in the budget report to the Council - the responses from the Scrutiny Commission and Committees are attached as Appendix 2.
- 4 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.

- 5 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.
- 6 On the 1 April 2014, the Cabinet noted the findings arising from the analysis of the current and proposed future offer for Snibston and gave agreement to commence with a consultation process on the proposed future offer, with a view to reporting its outcome and a proposed way forward to the Cabinet on 12 September 2014.

Background Context

- 7 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 Museum in its current form would close.
- 8 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.
- 9 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 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.
- 10 The Snibston colliery site comprises buildings dating from the 19th and 20th 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.
- 11 Parts of the former Snibston colliery were designated by English Heritage in 1999 as a SAM, shown edged red on the plan in Appendix 3. 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.

- 12 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.
- 13 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

- 14 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 3.
- 15 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 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.
- 16 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.

- 17 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.

- 18 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.

Resource Implications

- 19 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.
- 20 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.
- 21 The current Snibston 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.
- 22 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.
- 23 With regards to capital costs, the current Snibston 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.
- 24 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.

- 25 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.
- 26 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.

Consultations

- 27 A 12 week public formal consultation exercise commenced on the 14 April 2014 and will run until 7 July 2014.
- 28 The detailed consultation and engagement plan is underway and involves:
- Extensive publicity through the media, local publications, Leicestershire Matters, local advertising and targeted mailings and emails.
 - Online information about the proposals;
 - Survey form accessible through the County Council's website and available in hard copy through the museum and by telephone;
 - A dedicated email account for the consultation has been set up, with a telephone number. A number of questions and comments have been received which will be fed into the consultation and analysed
 - Stakeholder meetings with heritage, arts, museum and tourism bodies will take place on 12 and 13 June 2014.
 - A meeting with the Friends of Snibston and Friends of Leicestershire Museums will take place on 16 June 2014.
 - Sessions for season ticket holders and those who have expressed an interest in finding out more about the proposals will take place on 20 June 2014.
 - Consultation events with volunteers and vulnerable groups will take place during June
- 29 On 21 May 2014, around 330 completed surveys had been received.
- 30 Communication and engagement activity continues to target a range of audiences, including:
- Staff;
 - Members;
 - The general public;
 - Education sector;
 - Business community;
 - Organisations with an interest in the delivery of heritage, arts and museums services;
 - Tourism bodies;
 - Season ticket holders;

- Volunteers;
- Friends / interest groups
- Media

31 A further report summarising the outcome of the consultation will be presented to Cabinet on the 12 September 2014.

Staffing and other Implications

- 32 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.
- 33 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.
- 34 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.
- 35 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.
- 36 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.
- 37 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 Museum when these are known.
- 38 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.

- 39 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.

Timetable for Decision (including Scrutiny)

- 40 The consultation commenced on the 14 April 2014 and will run until the 7 July 2014. The outcome of the consultation and proposed way forward will be submitted to the Cabinet on 12 September 2014. The papers for the Cabinet meeting will be published on Friday, 5 September and should the Committee wish to do so it could meet before the Cabinet meeting to consider the report and submit any additional comments it may have to the Cabinet.

Conclusion

- 41 The proposed mining museum would deliver considerable revenue savings when compared with the current Snibston 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 Museum.
- 42 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.

Recommendations

- 42 The Committee is invited to submit any comments it may have on the proposed future offer at Snibston based around the mining heritage and colliery assets which will be taken into account as part of the consultation process.

Background Papers

- Adults and Communities Scrutiny Committee on 21 January 2014
[http://politics.leics.gov.uk/Published/C00001040/M00003910/AI00036718/\\$MTFS.docxA.ps.pdf](http://politics.leics.gov.uk/Published/C00001040/M00003910/AI00036718/$MTFS.docxA.ps.pdf)
- Cabinet on 4 February 2014
[http://politics.leics.gov.uk/Published/C00000135/M00003987/AI00036934/\\$MTFSCabinetReport4Feb2014.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003987/AI00036934/$MTFSCabinetReport4Feb2014.docA.ps.pdf)

- County Council on 19 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 March 2014
[http://politics.leics.gov.uk/Published/C00000135/M00003988/AI00037286/\\$5consultationonfutureofsnibston.docA.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003988/AI00037286/$5consultationonfutureofsnibston.docA.pdf)
- Cabinet on 1 April 2014
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MIId=3989&Ver=4>

Circulation under the Local Issues Alert Procedure

The Cabinet report dated the 1 April 2014 was circulated to Dr T Eynon CC as local member. A copy was also sent to County Councillors representing the area covered by North West Leicestershire District Council. A similar circulation is proposed for this report.

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Equal Opportunities Implications

40 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 4). 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 1 – Extract from the minutes of the Adults and Communities Overview and Scrutiny Committee: 21 January 2014

Appendix 2 – Information requested on Contingent Liabilities and Covenants associated with the redevelopment of Snibston

Appendix 3 - Site Plan

Appendix 4 - Equality and Human Rights Impact Assessment

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