

Title of meeting: Culture Leisure and Sport Decision Meeting

Date of meeting: 20 July 2018

Subject: Landing Craft Tank Project

Report by: Director of Culture and City Development

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 To provide details of the application to the Heritage Lottery Fund for the Landing Craft Tank project - LCT 7074: Saving a D-Day Hero.

2. Recommendations

- 2.1 **The aspirations of the LCT 7074 project and the potential risks to the council are noted.**
- 2.2 **Officers seek confirmation from the National Museum of the Royal Navy that it will maintain the ship in good condition as its owner.**
- 2.3 **Officers work with NMRN representatives to finalise roles and responsibilities in advance of the outcome of the application to HLF**
- 2.4 **Subject to 2.2 and 2.3, the application to the Heritage Lottery Fund is endorsed and supported.**

3. Background

- 3.1 LCT 7074 is the only surviving Landing Craft (Tank) from D-Day, and one of only three in the world. LCT's were built quickly and crudely to carry tanks and put them ashore - 7074 took 10 to Normandy on 6 June 1944. The project will secure a sustainable future for this exceptional survivor and showcase her outside as an integral part of The D-Day Story (DDS). LCT 7074 will remain in the ownership of the NMRN but will be operated by the council as part of The D-Day Story.

- 3.2 The NMRN and DDS are partners in the project with NMRN as project lead. A partnership agreement was prepared for the round one application to the HLF (submitted in March 2017), but further work on roles and responsibilities is required and has yet to be formally agreed.
- 3.3 The total cost of the project is £5.6 million and an award of £4.5 million has been requested from the Heritage Lottery Fund. The council's contribution currently stands at £84,000 (ie £60,000 to cover the cost of the conservation of the two D-Day Tanks previously on display outside the D-Day Museum and £24,000 to relocate the memorial trees). The option of the council funding associated work to the D-Day Car Park requires further exploration. The NMRN is fundraising for the outstanding amount.
- 3.4 The application to the HLF was submitted on 14 June 2018 and the outcome will be known in October. A planning application to locate Landing Craft Tank, and the associated infrastructure required to protect her, to the north of the D-Day Carpark wall has been submitted.
- 3.5 In advance of the arrival of LCT on site, officers will review implications of the project on any existing leases that may be impacted.

4. Reasons for recommendations

- 4.1 This is an exciting project in very many ways - from the innovation that shaped her construction in the 1940's to that required to conserve and relocate her in 2018. The Activity Plan that forms an integral part of the project will start in 2019 - the 75th Anniversary of D-Day and the Normandy Landings - and the end of the year will see LCT in situ visible to millions of people (and opening to the public in early 2020). Landing Craft Tank will be a striking addition to Southsea Common, will remind people of Portsmouth's D-Day legacy and encourage more people to visit The D-Day Story.
- 4.2 A Business Plan for the project - first 10 years of operation - forms one of a suite of documents that accompany the Round 2 bid. This has been developed by an external specialist (Tricolor) and informed by desk research and the views of staff from the NMRN and the council as well as other specialists supporting development of the project.
- 4.3 Over the ten year business plan period the LCT project is projected to generate a surplus of £360,700. Exempt Appendix A provides a detailed version of the LCT business plan submitted as part of the HLF Round 2 submission.
- 4.4 The admission price will include both the D-Day Story and the LCT. There is a planned schedule of activities and events which inform the other income lines. Expenditure figures have been based on advice from the most appropriate sources including the NMRN's experience of managing similar ships - eg the annual cost of LCT maintenance.

- 4.5 There are financial risks associated with the project, potentially exacerbated by the council's current financial position. These are:
- The surpluses generated year on year are relatively small. A small variation in either income or expenditure could turn this into a deficit position. However, if the partnership works, the DDS / LCT team will benefit from input from NMRN's marketing and operational teams (and there is the potential for growth).
 - It is unclear at this stage whether there will be any business rates liability for the ship. Early indications are that there would be no charge but non-domestic rates can only be accurately allocated upon application to HMRC tax office.
 - There is no direct financial gain for the Council. Any surpluses generated by the LCT will be transferred to a sinking fund for future maintenance of the ship and canopy etc. This would be managed through the partnership with the NMRN.
 - Profit and loss for the LCT distinct from The D-Day Story needs to be carefully calculated. There is the potential for D-Day Story profit to be lost to the LCT sinking fund. An open and honest relationship with our NMRN partner will be essential to mitigate against this.
 - The maintenance costs in excess of the funds held in the sinking fund. This will be subject to further discussion and negotiation with NMRN
 - Maintenance of the canopy will be PCC's responsibility (using funds from the sinking-fund if needed/available).
 - Although the Business Plan includes funding for frontline staffing, operation of the ship will involve a growing number of volunteers to support delivery
 - This attraction offers opportunities as it is quite unique. The recent appointment of DDS staff from high-footfall attractions should ensure that we can make the most of this opportunity, especially if we have a good working-relationship with NMRN.
- 4.6 The list of risks indicates how important the relationship with NMRN staff is going to be to ensure the success of this project. It seems essential therefore during the period in which the application is being assessed by HLF to invest time in developing the roles and responsibility document that should accompany the Partnership Agreement and for marketing, operational and events staff from both partners to get to know each other and share their experience and expertise.
- 4.7 In addition, if PCC costs are greater than anticipated there will be an ongoing dialogue with the NMRN to frame an agreed process moving forwards.

5. Equality impact assessment (EIA)

- 5.1 A preliminary Equality Impact Assessment was completed in 2016 and has been updated (attached at appendix 2). If the HLF funding is received a full EIA will be completed.

6. Legal comments

- 6.1 The National Lottery is governed by the National Lottery etc. Act 1993 as amended and must operate in accordance with such. The National Heritage Acts also determine the way in which Britain's heritage assets are managed and protected so these might be borne in mind.
- 6.2 The terms and conditions of the grant from the Heritage Lottery Fund may impose certain provisions and procedures being satisfied by the Council. Therefore these should be reviewed by the relevant departments (including Legal Services) to ensure that the Council has adequate provisions in place to meet these.
- 6.3 The Authority's PFI team may need to be consulted of the effect of the Landing Craft Tank.
- 6.4 The provisions of the Highways Act 1980 may need to be borne in mind if any part of the project has an impact on the highway. On transportation of the tank to Portsmouth, abnormal load notifications should be made in the usual way (if applicable) and any such appropriate legislation satisfied.
- 6.5 The Landing Craft Tank project will see the relocation of some memorial trees. It is understood that a planning application has been submitted which should bring to light any regulation or protection of the trees by way of TPOs etc (for example any required consents).
- 6.6 As per paragraph 3.5 above, it should be reviewed as to the implication of the project on any existing leases that may be impacted by the Landing Craft Tank being on site.
- 6.7 It is understood that the National Museum of the Royal Navy (NMRN) is fundraising for the remainder of the project cost. The Council should be satisfied as to the position if the NMRN is not able to raise enough funds, i.e. the contractual position should be that NMRN is liable for this itself.
- 6.8 The partnership between the Council and the NMRN governs the distribution and use of the grant being applied for from the Heritage Lottery Fund and so this should be adhered to.

7. Director of Finance comments

- 7.1 Financial information is referenced in para 4.3 of this report.
- 7.2 Sensitivity analysis on the business plan indicates that a reduction in income or an increase in costs of 20% in the second year of operation and an annual 10% average over each of the future years would reduce the project surplus position to break even.

7.3 The financial risks at para 4.5 above will directly impact on the financial performance of the project.

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Signed by:
Stephen Baily
Director of Culture and City Development

Appendices:

Exempt Appendix 1 (under Local Government Act 1972, Schedule 12A (as amended) paragraph 3.)

Appendix 2 - Preliminary Equality Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:
Cabinet Member for Culture, Leisure and Sport