

Title of meeting: Cabinet Member for Culture and City Development

Date of meeting: 20 March 2020

Subject: Progress on the Landing Craft Tank Project

Report by: Director of Culture, Leisure and Regulatory Services

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 To inform Members on the progress of the Landing Craft Tank 7074 Project which is being delivered in partnership with the National Museum of the Royal Navy.

2. Recommendations

- 2.1 It is recommended that the Cabinet Member formally confirms the council's match funding for the project that is £84,000 and approves the addition of £12,000.

It is recommended that the Cabinet Member in addition notes:

- 2.2 The achievements of the project thus far.
- 2.3 Outstanding risks to the project with regard to the programme and cost.
- 2.4 Funding and other contributions made by the council in support of the project.
- 2.5 The future role of the council and its partner the National Museum of the Royal Navy in the operation of the Landing Craft Tank as part of the D-Day Story museum.

3. Background

- 3.1 Landing Craft Tank (LCT) 7074 is the last surviving LCT from D-Day. For months the ship carried tanks, men and supplies across the Channel to liberate Europe. After the Second World War the ship entered an entirely different phase as a nightclub on the River Mersey in Liverpool.

- 3.2 We are working in partnership with the National Museum of the Royal Navy (NMRN) to move LCT 7074 to Southsea Seafront where she will be operated as a visitor attraction as part of the D-Day Story. The two D-Day Tanks will be displayed on board on the tank deck. The main funder of the project is the National Lottery Heritage Fund which is contributing £4.5 million towards the total project cost of £5.6 million. The NMRN will retain ownership of LCT7074.
- 3.3 LCT7074 is likely to have a positive impact on the local visitor economy, will be a great addition to The D-Day Story offer and attract more visitors to Southsea Seafront. We will promote the ship both nationally and internationally. The arrival of LCT adds to the critical mass of cultural attractions in the area and will help establish a route from Portsmouth Historic Dockyard to Southsea Seafront. Establishing a strong partnership with the NMRN will be essential to the success of the project and partnership-working will be increasingly important to service delivery going forward.
- 3.4 The project Activity Plan will deliver a range of outcomes for residents and communities including opportunities for people to volunteer and two apprenticeships. These are and will enable people to gain confidence and skills as well as enhancing wellbeing. As a result the local area will be a better place to live with more opportunities for local people. Appendix 1 illustrates what we have achieved so far.

4. Reasons for recommendations

- 4.1 The £84,000 match funding for the LCT7074 project has been shared with members in an earlier report but not formally approved. A further £12,000 has been contributed to meet the additional cost of the conservation of the two D-Day Tanks that will be displayed on the LCT's tank deck. This has been made possible by reallocating a portion of the costs associated with the landscaping work in the vicinity of The D-Day Story from the Libor funding pot to the Transforming the D-Day Museum project (with the permission of the National Lottery Heritage Fund).
- 4.2 The key achievements of the project to date include:
- Work to conserve the ship and record all the detail revealed as the rust was removed and to re-instate some of the missing infrastructure
 - Finalising the content of audio-visuals and graphics
 - The work of the project-funded Community Participation Officer to raise the profile of the project across the city and generate anticipation for the arrival of LCT on site
 - The successful completion of the LCT Journey project which involved communities in Tyne and Weir, Norfolk, Southampton and Liverpool; ie key locations in the LCT7074 story
 - The recruitment and training of the volunteers who will run LCT7074
 - Gaining planning permission and meeting all the planning conditions

- Preparing the legal documentation enabling NMRN to locate LCT7074 on the Southsea Seafront site
- Finalising the Section 278 Agreement between the council and NMRN relating to the construction of the new D-Day Car Park entrance and its impact on the highway

4.3 Outstanding risks to the project with regard to the programme and cost.

4.3.1 A number of risks associated with the project were identified in a previous report. Other more recently identified risks are:

- Opportunities to bring LCT ashore are constrained by the availability of suitably high tides and good weather and events taking place on Southsea Common. Early May has been identified as a good window of opportunity.
- A process of value engineering is being undertaken in order for the overall project to remain within the financial envelope and the Project Manager is seeking ways to maintain the cost management plan and get clarity on any proposed mitigations.
- A comparison of the LCT Business Plan and visitor data from the The D-Day Story indicates that some of the assumptions made by the external business planning specialists with respect to the likely income generated through admissions may not be achieved. This has implications for the generation of a surplus year on year to fund future maintenance costs. Officers will review and recast the Business Plan.

4.4 Funding and other contributions made by the council in support of the project

4.4.1 In addition to the match funding discussed above and in the spirit of partnership and to facilitate smooth delivery of the project the council has also:

- Relocated an ice cream concession and compensated the concession holder
- Funded work to repoint and repair the D-Day Car Park wall
- Waived some of the costs usually associated with a Section 278 Agreement.
- Allowed use of the D-Day Car Park and the suspension of parking bays in the vicinity of the LCT site and not charged the project for any loss of income.
- Not charged the project for staff time given to the project from other directorates including Legal.
- Promoted LCT through the Visit Portsmouth destination marketing team including a campaign on the London Underground

4.5 Future role of the council and its partner the National Museum of the Royal Navy in the operation of the Landing Craft Tank as part of the D-Day Story

4.5.1 A Partnership Agreement is already in place for the project (as required by the National Lottery Fund). Further work is required however to capture how the NMRN and council will continue to work together particularly post project when The D-Day Story becomes responsible for the operation of LCT to ensure that

targets are met and the partners' aspirations for LCT7074 are achieved. This work is in progress.

5. Integrated impact assessment

- 5.1 IIA completed (appendix 2)

6. Legal implications

- 6.1 As the project is being primarily funded by the National Lottery Heritage Fund, it must be ensured that any match funding is compliant with the terms of this fund. Further, the partnership agreement dated 15 March 2017 between the Authority and NMRN should be considered.
- 6.2 Any funding from the Authority to the project should be considered in relation to the Authority's duty of best value to ensure appropriate use of public money - also in light of NMRN retaining ownership of the landing craft and the Authority being landowner (vs any match funding offered by NMRN). This should also be considered in light of the ongoing roles of the parties (including repair / maintenance obligations) - if the Authority has obligations to repair/maintain the landing craft then it will be paying money towards something which on expiry or earlier termination of the lease it will have no ownership of. If there is no cap on payments for repair/maintenance by the Authority then this leaves potential spend here unlimited. It is understood that the Authority is retaining ownership of the two D-Day tanks.
- 6.4 The final legal recipient of any match funding should be considered in light of relevant state aid and procurement legislation. Internally, the Council's constitution and Contract Procedure Rules must be adhered to. Further legal advice can be provided on this point when further information is available.
- 6.3 It is understood that legal documentation for the project overall is being prepared and negotiated by Legal Property. Standard landlord and tenant clauses should be provided for in the lease to ensure that the Authority is protected as landowner. Detailed legal advice on the terms and conditions of such documentation can be provided outside the scope of these comments.

7. Director of Finance's comments

- 7.1 Financial information is referenced in para 4.4.1 of this report.
- 7.2 It is noted that original project annual surplus may not be achieved. Further detailed analysis of the business plan is to take place. These risks will directly impact on the financial performance of the project.

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Signed by:
Stephen Baily
Director of Culture, Leisure and Regulatory Services

Appendices:

Appendix 1 Landing Tank Craft Activity Plan Report
Appendix 2 Integrated 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 and City Development