

Title of meeting: Culture, Leisure and Economic Development Decision Meeting

Date of meeting: 17 July 2020

Subject: Landing Craft Tank Project Update

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 update the Cabinet Member of progress made on the Landing Craft Tank 7074 project during the Covid-19 lockdown and some of the challenges affecting the project.

2. Recommendations

It is recommended that:

- 2.1 **The Cabinet Member notes the achievements of the project to date.**
- 2.2 **The council works with its project partner, the National Museum of the Royal Navy, to secure the outstanding funding required to deliver the project as planned and that the Cabinet Member approves officers seeking a further financial contribution from the council should the need arise.**
- 2.3 **The Cabinet Member approves a request to the National Heritage Lottery Fund, asking if residual funds from the Transforming the D-Day Museum project might be used in these exceptional circumstances to support the LCT 7074 project.**
- 2.4 **The Cabinet Member notes the intention to run a crowd-funding campaign to raise funding to cover additional costs incurred as a result of the coronavirus pandemic.**
- 2.5 **The Cabinet Member notes the uncertainty with respect to visitor numbers post Covid-19 and the impact this will have on the delivery of the LCT 7074 business plan once Landing Craft Tank opens as part of The D-Day Story later this year.**

3. Background

- 3.1 Landing Craft Tank (LCT) 7074 is the last surviving LCT from D-Day. The council is working in partnership with the National Museum of the Royal Navy (NMRN) to move LCT 7074 to Southsea Seafront where the ship will open to the public as part of the D-Day Story. The two D-Day Tanks formerly located outside the museum will be displayed aboard LCT. 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 council has contributed £96,000 of match funding and supported the project in other ways.
- 3.2 The NMRN will retain ownership of LCT 7074 but the ship will be operated by the council as part of The D-Day Story.
- 3.3 LCT7074 will 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.

4. Reasons for recommendations

- 4.1 After a short pause following the Covid-19 lockdown contractors returned to work in early May. Construction work on site has continued apace and the striking steel framework that will support the canopy has now taken shape. The conservation and repainting of LCT 7074 is also coming to an end and the scaffolding gradually coming down to reveal the ship in all its glory. Work on the conservation of the two D-Day tanks is similarly also nearing completion. The team are now working with partners on plans for the move of the ship to her final location in the late summer. An autumn opening date is envisaged.
- 4.2 The National Museum of the Royal Navy (NMRN) is the fundraising lead for the LCT project and to date some £700,000 of match funding has been successfully raised, with another £280,000 to go. The project has a number of other financial challenges; costs linked to the creation of the new D-Day Car Park entrance for example and delays linked to the coronavirus pandemic. With work on the ship nearing completion and with the priorities of funders redirected to addressing the impact of Covid-19 this gap will be much harder to fill.
- 4.3 The NMRN is exploring a number of options to meet the shortfall including a crowd funding campaign working with the council's approved partner Crowdfunder UK. A further option relates to a modest underspend on the capital element of the council's Transforming the D-Day Museum project. In view of the synergy between the two projects this underspend might be usefully deployed to support the LCT 7074 project, subject to the approval of the National Lottery Heritage Fund. In the event that the NMRN is unsuccessful in this final phase of fundraising, further support from the council may be necessary.
- 4.4 The D-Day Story will be responsible for the operation of LCT 7074 and the successful delivery of the business plan. In the previous report attention was drawn to potential pressures on the business plan. The situation has been exacerbated by the coronavirus pandemic and the uncertainty over the level of

visits and earned income that can be expected. A reduction in visits and consequent loss of income from admissions and events will limit the potential to generate a surplus year on year to fund future maintenance costs. Officers will be in a better position to judge likely impact following the reopening of the D-Day Story and other UK museums.

5. Integrated impact assessment

5.1 Not required as an existing project.

6. Legal implications

6.1 As the project is being primarily funded by the National Lottery Heritage Fund, ensure 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 - particularly in light of the split / sharing of any match funding. If the National Lottery Heritage Fund approve using residual funds from the Transforming the D-Day Museum project, this should be reflected in appropriate contractual documentation.

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 and responsibility for health and safety in light of Covid-19) - 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 primarily 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 There is a potential funding gap of approximately £280k but this may increase further due to a number of financial challenges the project is facing. The National Museum of the Royal Navy (NMRN) who are the fundraising lead for

the LCT project are exploring a number of options in order to raise funds. If the NMRN are unsuccessful in raising the full amount, support from PCC may be sought.

- 7.2 The underspend on the capital element of the D-Day Museum project is forecast to be approximately £75k. The use of this will be dependent on approval from the National Lottery Heritage Fund and confirmation of final costs in relation to the D-Day Museum project.
- 7.3 Once the museum reopens to visitors we will be in a better position to review the impact on the delivery of the business plan. In the previous report it was noted that there are financial risks associated with the installation of the LCT outside the D Day Museum and the current pandemic situation means there is uncertainty on the level of future visitor numbers and the income expected.

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Signed by:

Stephen Baily

Director of Culture, Leisure and Regulatory Services

Appendices: None

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 Economic Development