

**TELFORD & WREKIN COUNCIL****CABINET - 20 DECEMBER 2012****IRONBRIDGE GORGE MUSEUM TRUST (IGMT) – PARTNERSHIP UPDATE****REPORT OF ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE AND ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING****LEAD CABINET MEMBER – CLLR BILL McCLEMENTS****PART A) SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

- 1.1 Reflecting the Council's cooperative values to support the partnership with Ironbridge Gorge Museum Trust Limited (IGMT) – a key contributor to the local economy and Destination Telford – by extending the current loan arrangement approved by Cabinet in November 2009, for a further 10 years.

**2. RECOMMENDATIONS**

- 2.1 **That Cabinet approve the 10 year extension to the current £0.456m loan arrangements as outlined in the Report**
- 2.2 **That Cabinet Delegate authority to the Assistant Director: Law, Democracy and Public Protection to execute all appropriate contract documentation to give effect to 2.1 above**

**3. SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Protect and create jobs as a 'Business Supporting, Business Winning Council' through contribution made to promoting/delivering Destination Telford
	Will the proposals impact on specific groups of people?	
	Yes	IGMT is a registered charity whose aims are education and heritage. Visitors come from all walks of life and IGMT also provide a significant number of free services to the communities of T&W including high quality education to a range of specific groups and volunteer opportunities
<b>TARGET COMPLETION/ DELIVERY DATE</b>	December 2012	
<b>FINANCIAL/ VALUE FOR MONEY IMPACT</b>	Yes	A £0.500m loan to the Ironbridge Gorge Museum Trust was approved by Cabinet in November 2009, for a period of 12 months. A 2 year extension was approved by Cabinet in October 2010. The recommendation in this report is to extend the loan for a further 10 years to January 2023. Interest will be charged at a rate equal to that which would be applicable if the Council borrowed 10 year funds from the Public Works Loans Board, thus making the loan cost neutral to the Council. Although cost neutral, the interest rate being charged is not a market rate and the loan is therefore classified as a "soft loan" in the financial statements, as required by accounting regulations. There is a separate note in the Statement of Accounts setting out the associated financial transactions – the outstanding balance at 31 March 2012 was £456k. Currently the loan is secured by a guarantee from the Ironbridge (Telford) Heritage Foundation Ltd – the guarantee will also be extended to match the period of the loan and the recommendation to extend the loan is subject to this condition. The intention is that the loan will be repaid through offsetting services bought by the Trust over the period of the agreement, notably the management functions across the World Heritage Site. It is important that repayment is monitored to ensure the loan is fully repaid in line with the agreement. Value for money is demonstrated through the partnership working which benefits the community as a whole.
<b>LEGAL ISSUES</b>	Yes	The Council entered into the current loan and guarantee using powers under the well-being provisions in section 2 of the Local Government Act 2000.

		Members will be aware that these provisions have been replaced by the General Power of Competence under the Localism Act 2011. This provides that councils are specifically empowered to do anything not prohibited by legislation and subject to public law principles and due process. Legal Services have provided advice to ensure that appropriate contract documentation is put into place to protect the Council's interests as much as possible.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	No	
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	Ironbridge specifically but the work and influence of the Museum delivers social and economic outcomes across the Borough

## **PART B) ADDITIONAL INFORMATION**

### **4. INFORMATION**

- 4.1 Founded in 1967, the Ironbridge Gorge Museum Trust Ltd (IGMT) is a registered charity whose twin aims are education and heritage conservation. By many markers, Ironbridge is recognised as one of the world's largest independent museums operating 10 museums under one umbrella which collectively tell the story of the birthplace of the Industrial Revolution. These museums received 545,000 visits in 2011, including around 70,000 school visits.
- 4.2 The largest of the Trust's sites is Blists Hill Victorian Town, which in 2009 saw the completion of a £12m development, supported by Advantage West Midlands and European Regional Development Funding. The Blists Hill Victorian Town redevelopment has secured Ironbridge as one of the UK's leading heritage attractions and as one of the three key tourism gateways to the West Midlands, attracting an additional 100,000 visitors per annum to the Ironbridge Gorge World Heritage Site. The development has supported the expansion and long-term sustainability of the tourism offer in Telford & Wrekin, benefiting the tourism businesses and accommodation providers within the Gorge and the wider Telford & Wrekin area.
- 4.3 Beyond the conservation and interpretation of the listed buildings and monuments of the Ironbridge Gorge World Heritage Site, IGMT provides a significant number of free services to the communities of Telford & Wrekin including the provision of high-quality education services for all ages, volunteer opportunities and support for inward-investment into the Borough.
- 4.4 In November 2009 Cabinet agreed the further development of the partnership between our two organisations as key to the regeneration of the local economy and supported this investment with a £0.5m loan to the Trust. In October 2010 it was agreed to extend the repayment period to the full 3 years envisaged in the original agreement. This repayment period will end on 15 January 2013.
- 4.5 Although the partnership with the IGMT has gone from strength to strength repayment of the loan has been limited. Some repayments have been made through IGMT's work project managing recent, highly successful WHS Festivals, provision of premises rent free and the provision of visitor information services but a significant proportion of the loan is outstanding.
- 4.6 The IGMT are a driving force in developing the cultural offer of Telford and promoting it widely. They are identified as key partners in the Destination Telford programme and there are many opportunities to work more closely to deliver borough wide economic outcomes and the joining up of the tourism and leisure offer that is a central element of Telford's Destination offer.
- 4.7 The extension of the repayment period for the loan will ensure that opportunities to promote the economic growth and regeneration of the Borough are driven forward in line with the Council's cooperative values. However it is recognised that after 3 years there is now a need to ensure that a realistic payment plan is agreed and in order to facilitate this, the loan needs to be extended for a period of 10 years.
- 4.8 Key to the loan repayment will be the provision by IGMT of a formal core management function across the World Heritage Site. The IGMT's presence in the Gorge links with all the stakeholders and local community and clear remit and commitment to the promotion and economic development of the Ironbridge area place them in a unique position to deliver this role. A Supplemental

Agreement has been drafted to ensure the effective and cooperative delivery of this function. This Agreement will be cliented by officers within the Development, Business & Housing Service ensuring delivery of this function aligns with Council priorities and the Destination Telford programme. Key elements of the management role are anticipated to include:

- Delivery of a revised Management Plan for the Ironbridge Gorge World Heritage Site coordinating full stakeholder engagement and establishing an implementation and funding programme to ensure delivery
- Administration of the Ironbridge Gorge World Heritage Site Steering Group (IGWHSSG)
- Co-ordination and completion of the UNESCO periodic review of the WHS under the direction of TWS and in line with set timescales and requirements
- Ongoing work with local stakeholders and funding partners to raise funds, develop business cases and pursue all opportunities for grants, lobbying and promotion of the WHS

4.9 This management role will form the central element of the loan repayment documentation. Loan repayments and the effectiveness of the management function to be provided by IGMT will be reviewed on a quarterly basis by TWC with the success of the management functions also kept under review by the IGWHSSG.

## **5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

5.1 IGMT will be continuing, where resources allow, offering opportunities for young people and targeted groups and communities. This includes:

- Providing specialist support and accredited training to young people not in employment, education or training (NEETS)
- A range of formal opportunities for young people from the area to participate in placements, apprenticeships, internships and volunteering on an on-going basis
- Outreach services to targeted groups such as the recent dementia partnership pilot project delivered to residents in care in Telford
- Explore with Council Services opportunities for Children in Care and Families at Risk in the Borough
- Continuing to provide substantial discounts for local residents through discounted Annual Passport season tickets (Flex Scheme) and ensuring that parts of the museums are open, free of charge, to provide informal recreation for residents across the Borough

## **6. PREVIOUS MINUTES**

Cabinet November 2009 and October 2010

## **7. BACKGROUND PAPERS**

None

Report prepared by Katherine Kynaston, Business & Development Planning Service Delivery Manager  
(01952) 384021