

Wiltshire Council

Cabinet

23 July 2019

Subject: Proposed Loan to Wiltshire Museum

Cabinet Member: Cllr Philip Whitehead – Leader of the Council and Cabinet Member for Finance, Procurement and Economic Development; and
Cllr Richard Clewer – Deputy Leader of the Council and Cabinet member for Corporate services, Heritage, Arts, Tourism and Housing

Key Decision: Non Key

Executive Summary

The National Planning Policy Framework, where a potential development could impact on archaeology in an area, suggests that the Council acting as Planning Authority may have a duty to impose planning obligations on the developer in respect of archaeological heritage.

The planning obligations may require the developer to commission a study of the site and to deposit the resultant objects and reports referred to as archives with an accredited museum.

The acquisition of a storage facility enables such deposits not to infringe on space in the museum's interpretation and gallery space.

The proposed funding for this acquisition being made up of a grant and a loan.

Proposal(s)

To approve the grant funding of £0.125m to Wiltshire Museum to part fund the acquisition of a storage facility

To approve the principle of a loan to Wiltshire Museum to fund the remainder of the acquisition up to the value of the Property.

Delegate powers to the Director of Finance and Procurement in consultation with the Director of Housing and Commercial to enter into appropriate formal arrangements for the award of a loan to Wiltshire Museum up to the value of the Property.

Reason for Proposal(s)

To ensure that the Developers are able to fulfil their obligations under the National Planning Framework, and thus enabling the Council to fulfil its duties in terms of imposition of planning obligations.

To maximise the interpretation and gallery space within Wiltshire Museum

Alistair Cunningham OBE
Executive Director Investment & Growth

Wiltshire Council

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1. Purpose of Report

The National Planning Policy Framework, where a potential development could impact on archaeology in an area, suggests that the Council acting as Planning Authority may have a duty to impose planning obligations on the developer in respect of archaeological heritage.

The planning obligations may require the developer to commission a study of the site and to deposit the resultant objects and reports referred to as archives with an accredited museum.

The acquisition of a storage facility enables such deposits not to infringe on space in the museums interpretation and gallery space.

2. Background

The need for storage to house archives resulting from development in Wiltshire was originally recognised by the Council as part of its Core Strategy *ref. Wiltshire Core Strategy, Infrastructure Delivery Plan, IDP2 WC015, Appendix A Wiltshire Strategic, Regional and General, 2011-2016*). Having identified the issues, Wiltshire Council has been seeking to mitigate these through its capital programme and continued partnership work with local museums to enhance the understanding of our heritage, engage wider audiences and facilitate growth of the local tourist economy. Two accredited museums within Wiltshire currently act as repositories for collecting archaeology archives, they are Salisbury Museum and Wiltshire Museum.

In 2018 Wiltshire Council allocated £75K out of a £200K capital fund in the Capital Programme to Salisbury Museum as a grant towards the purchase of suitable storage in Old Sarum, this freed space at the Cathedral close site and helped the museum to secure NHLF funding for gallery expansion.

Wiltshire Museum requires a solution for its archaeological storage and is currently unable to take any further archaeological archives due to constraints on storage space, which prevents developers discharging their planning obligations. It is proposed that Wiltshire Council release the remaining £125K of the capital fund set aside for archaeological storage as a grant to Wiltshire Museum to part fund the acquisition of a property to fulfil this requirement. Any further funding to be structured as a loan.

To offset some of the running costs, one-off storage fees will be chargeable to developers, which is standard practice by museums across the country.

Main Considerations for the Council

1. In 2018 Wiltshire Council allocated £75K out of a £200K capital fund in the Capital Programme to Salisbury Museum as a grant towards the purchase of suitable storage in Old Sarum, this freed space at the Cathedral close site and helped the museum to secure NHLF funding for gallery expansion.
2. Wiltshire Museum requires a solution for its archaeological storage and is currently unable to take any further archaeological archives due to constraints on storage space, which prevents developers discharging their planning obligations. It is proposed that Wiltshire Council release the remaining £125K of the capital fund set aside for archaeological storage as a grant to Wiltshire Museum to part fund the acquisition of a property to fulfil this requirement. Any further funding to be structured as a loan.
3. To offset some of the running costs, one-off storage fees will be chargeable to developers, which is standard practice by museums across the country.

Overview and Scrutiny Engagement

This report is to be considered by the Financial Planning Task Group on 22 July 2019.

Safeguarding Implications

There are no safeguarding issues arising from this report

Public Health Implications

None

Procurement Implications

While this is not a procurement, the grant agreement will need to be allocated a Unique Reference Number by the Strategic Procurement Hub (SPH) and a copy of the final grant agreement provided to the SPH by Legal Services for inclusion in the published council grants register.

Equalities Impact of the Proposal

None

Environmental and Climate Change Considerations

There are no issues from the development of a formal loan arrangement

Risks that may arise if the proposed decision and related work is not taken

Developers would not be able to fulfil their planning obligations which would lead to conflict of duties

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

The loan would be fully securitised on the property to be acquired.

Financial Implications

1. £125k Capital budget was approved and is set aside in the Capital Programme for this purpose and is funded from Capital Receipts.
2. Any loan made to Wiltshire Museum would be fully securitised on the acquired property and the length of the loan would not exceed the useful economic life of the asset in order to protect the Council from risk.
3. The interest rate would be determined to ensure that any interest on borrowing paid by the Council is fully mitigated and Legal advise will be sought to ensure the rate is set as a level that complies with state aid legislation.

Legal Implications

1. There is a low risk that this grant could constitute state aid. This is mitigated by claw back provisions in the grant agreement but as always there is a risk that these could be resisted as the claw back would potentially require the sale of the property.
2. It is proposed that Wiltshire Council will enter into a formal agreement with Wiltshire Museum to provide a grant and a loan towards the purchase of a property for the storage of existing archaeological finds and archives relating to their geographical collecting area and potentially the whole of the historic county of Wiltshire; future archaeological finds and archives resulting from development-led and research-led archaeological fieldwork and chance discovery in the historic county of Wiltshire; and for the people of Wiltshire.
3. A charge on the property will be registered in favour of Wiltshire Council that will be invoked should Wiltshire Museum default on the agreement i.e. the property

ceases to be an archaeological store and/or the property is let or sold without alternative suitable accommodation for an archaeological store in place.

4. It is proposed that Wiltshire Council, via Libraries, Heritage and Arts, Conservation and Museum Advisory Team, will monitor the Collections Resource Centre through its existing partnership agreements with Salisbury Museum and Wiltshire Museum.

Workforce Implications

None

Options Considered

1. No funding – this may prevent the Council and the developers from fulfilling their planning obligations, or prevent the museum from utilising the interpretation and galleried areas
2. Full grant funding – There is insufficient capital grant funding in the capital programme
3. Grant and Loan funding – this would allow the Council and the developers to fulfil their obligations and give the Council a return on the loan element.

Conclusions

Option 3 allows for planning obligations to be fulfilled and gives a return to the Council

Alistair Cunningham OBE
Executive Director Investment & Growth

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Date of report – 27 June 2019

Appendices

None

Background Papers

None