

Cabinet

10 July 2019

Redhills: Request for Funding

Ordinary Decision



Report of Corporate Management Team

Ian Thompson, Corporate Director of Regeneration and Local Services

Councillor Joy Allen, Cabinet Portfolio Holder for Tourism and Culture

Electoral division(s) affected:

Durham.

Purpose of the Report

- 1 The purpose of this report is to set-out a request for financial support as match funding towards Redhills large-scale funding bid to the National Lottery Heritage Fund (NLHF). The aim is to restore and augment the existing provision at Redhills, incorporating a £5m capital build and £1.67m revenue programme to restore and develop the heritage assets of the building, provide new spaces and services to support additional delivery, conference and hire spaces and to create a revenue stream to support the long-term sustainability. The report further considers the options and implications open to the Council in considering this request.

Executive summary

- 2 The Durham Miners Association (DMA) has submitted an application for support to the NLHF to fund proposed developments at Redhills (please see Appendix 2, NLHF application for full details). The funding request to the NLHF is £4 million towards an overall £6.7 million project. This work will see the fine historic building restored and updated and with the addition of a new build extension, provide up to date facilities for visitors, community, performance and meetings. Redhills will be a hub of activity where people meet, practice and perform, with these new facilities supporting new strands of income generation.
- 3 Requests for support from Heritage Lottery require the provision of match funding. The project has committed to raising £1.6 million of the

necessary match funding, with £1,103,615 being requested from the Council. The project has confirmed match funding of £1m through existing assets, the remaining £600,000 is currently being raised with £50,000 already secured.

- 4 A contingency sum has been included in project budgets as per NLHF regulations to cover impact of any unexpected requirements. Costs within the budget have taken into account expected inflation.
- 5 In considering the request it should be noted that if this development does not go ahead it is anticipated the use of the building may need revision, limiting access and possibly seeing collections dispersed. Recent appraisal of the building has indicated the roof will need full repair within 5-10 years and if not actioned will render the building unusable. The proposed project will also address these issues ensuring the future of one of Durham's most prestigious buildings.
- 6 Redhills needs to establish new sources of income to provide sustainability for the association moving forward and maintain the heritage assets. Without a successful bid to the HLF and the ensuing work, the association will struggle to identify other sources of revenue generation.
- 7 The Council has no obligation to support this request, however, the building and collections form part of the County's most valuable heritage assets. Should this work not be supported and the collections housed at Redhills were to become dispersed and the venue to close this would undoubtedly be seen as a significant loss to the County's wider cultural assets and offer by many residents .
- 8 Such a decision to support the project is clearly premised on a value for money judgement as well as confidence the Council has that the association can effectively deliver the project.
- 9 Redhills has been selected by Historic England as one of 100 places across the UK that bring to life the country's "rich and extraordinary history". The elected representatives located at Redhills came from over 200 collieries across County Durham and influenced the delivery of welfare services and facilities for the people of County Durham, including medical provision, community centres, retirement homes and sports fields.
- 10 In view of the historical importance to the building to the County, Cabinet is recommended to support the request for funding subject to conditions, for reasons which are explained further in the main body of the report.

Recommendation(s)

11 It is recommended that:

- (a) A contribution of £1,103,615 is supported to be financed from capital contingencies (subject to confirmation of other funding being awarded).
- (b) That the support be subject to:
 - (i) Production of quarterly and detailed annual reports to be reviewed prior to the release of further scheduled grant payments. (Method and format of reporting to be align to other major funders reporting requirements.)
 - (ii) An annual update report to Cabinet in order to ensure progress and position is transparent.
 - (iii) Grant payment to be scheduled in agreement with other project funders and Redhills to ensure funding is profiled to meet cash-flow requirements, and to best protect the Council's investment.
 - (iv) Partnership working on the development of the Durham History Centre including attendance at relevant meetings to ensure complementarity of provision.

Background

- 12 The association began a NLHF application in January 2017 to restore and develop the Grade II listed miners' hall at Red Hill, Durham. The hall, known as Redhills, houses the Pitman's Parliament which has been named in the top 100 irreplaceable places by Historic England. The only other parliament in that list is the Palace of Westminster. Redhills is, therefore, one of the most important historic buildings in County Durham.
- 13 It is the centre of culture and heritage for the people of the Durham coalfield – from the south bank of the Tyne to the north bank of the Tees.
- 14 The association and its 188 colliery delegates took decisions which transformed the county – building aged miners' homes, community hospitals, welfare halls and libraries. No other county had such an advanced social system before the welfare state was created.
- 15 A detailed heritage statement for the building has been prepared by Archaeo-Environment which describes the outstanding heritage significance of the building and its collections including:
 - The most important purpose-built trade union building in UK, if not Western Europe.
 - Centre of heritage and culture for the people of the Durham coalfield.
 - Significant architectural importance in a conservation area at the gateway to Durham.
 - A conduit for wildlife and nature in the heart of the city.
 - Of immense importance to the people of the county as the home of community democracy and radical social reforming politics.
 - The progenitor of Durham County Council (est 1919).

Progress to Date

- 16 An Appeal was launched on 20 November 2018 to mark the 150th year of the association.
- 17 This project aims to produce a cultural and heritage asset for the city and the county. It will see the fine historic building restored and updated and with the addition of a new build extension providing up to date facilities for visitors, community, performance and meetings.

Redhills will be a hub of activity where people meet, practice and perform.

- 18 It will be a vibrant example of living culture with a sustainable commercial business plan to ensure its future supporting the existing community of users and attracting new audiences.
- 19 The NLHF bid for Redhills was submitted May 2019. The association has now completed all of the required surveys and reports and is finalising its business and financial plans. RNJ Construction Consultants (Newcastle) have produced the project plans, schedule and budget. RNJ are a heritage sector specialist with considerable experience with NLHF, ACE and historic building projects.
- 20 The proposed works will embody sustainable development with the following objectives:
 - (a) Economic: The development will provide a sound economic basis for the future of Redhills and a valuable asset for the infrastructure and economic development of Durham.
 - (b) Social: The improved facilities will provide well designed and enhanced facilities to support current and new communities of Redhills and enhance social and cultural wellbeing.
 - (c) Environmental: The proposal will conserve and enhance a valuable and historic Grade II listed building and surrounding landscape and cultural buildings, contributing to the enhancement of the surrounding conservation area.
- 21 The overall cost of the Grade II listed building restoration, renewal and animation is circa £6.7 million with £4 million being sought from NHLF. NHLF advice is that the larger the applicant's contribution, the higher the chance of a successful bid as they now seek to be a supporting financial partner rather than sole funder. A copy of the draft application is provided as Appendix 2.
- 22 Durham County Council has been approached to be an 'anchor' financial partner with an ask for support of £1,103,615.
- 23 Several other models of raising capital are being considered including selling or leasing some of DMA's own fixed assets (currently used for student lettings) and asking trades' unions and other investors to take shares (secured on the fixed asset) in the Redhills project should fund raising not reach anticipated levels. An optional appraisal report will be available soon and shared with the Council.

- 24 The association (incorporated as a not-for-profit company limited by guarantee in November 2017, Company number 11077903) is also seeking to establish a charitable trust to oversee the future of Redhills.
- 25 A new management and constitutional structure is being considered to ensure it is best positioned to maintain the building and its legacy moving forward. The association holds a property portfolio valued at circa £5.5 million including the Miners' Hall. It is upon this portfolio that shares and capital investment would be secured.
- 26 In its new charitable form the association would aim to conserve and provide continued access to Redhills history and heritage whilst developing new assets to support performance, wellbeing, learning and income streams.

Latest Position

- 27 The association is currently exploring further joint working with the Council in and around the County Records Office and the Durham History Centre. Redhills attracts increasing numbers of people interested in genealogy and mining history. Better storage and accessibility are vital to the continuation of this service and preserving what exists. Often those inquiries are referred to the records office. It is anticipated that Redhills will become a partner for the Durham History Centre, offering an insight into the social, industrial and political background of the coalfield and this has been discussed and agreed with the project lead on the Durham History Centre. The records office and history centre will provide the detailed archive people seek and will be the holder of the records.
- 28 Discussions are underway to ensure the records office is the sole keeper of the associations records and will archive the 72²m documentation currently housed in perilous conditions in Redhills' basement. Signposting with DCRO would be beneficial, with DCRO providing the main enquiry service.
- 29 Further joint working around the Durham Miners' Gala will be explored and involve the Council as both a cultural as well as an operational partner. This would include further integration of The Brass Festival into the Miners Gala. It should be noted that the Gala brings an estimated £10 million to the city of Durham and should be the anchor for further tourist development.
- 30 The renewed Redhills will offer opportunities for co-working with the Gala Theatre and other cultural bodies. Plans to develop these relationships will be part of the Stage One lottery bid and will focus

around music development and rehearsal spaces. Talks with Durham Music Service regarding these developments are ongoing.

- 31 The Council will work with the association to review and provide support for long term archive solutions.
- 32 Visit County Durham will work with the association to promote and market the new conference facilities to support organisational sustainability and long-term planning. A letter of support is attached as Appendix 4.
- 33 An application to NLHF for £4m was submitted late May 2019, with a decision late summer 2019. Should funding be awarded, the project aims to commence October 2019.
- 34 Should the Council provide funding towards this project, the association wishes to mirror the payment schedule agreed with NLHF (should the project be successful) and would seek to draw down Council funding in equal instalments over a period of 4 years.

Main implications

- 35 Should the Council be minded not to provide support, the main implications are likely to be:
 - Loss of key heritage asset of the County as described in earlier sections.;
 - Inability of the association to attain sustainability and long-term security due to declining membership impacting revenue and necessary repairs to keep building operational;
 - Dispersal of the collections.

Risks

- 36 Should funding not be provided the following risks would emerge to the County's cultural heritage:
 - Downsizing of Redhills, with reduced offer;
 - Long term sustainability and operation of Redhills in doubt.
- 37 In addition, there remains a number of risks to the project's success including; raising of the additional match funding and cost over-run. These are, however, risks to the project and not the Council. Any offer of support would be made on the basis of the current scheme and other funding being in place. Any project over-run would not be a risk to the Council.

- 38 Should the Council be minded to support Redhills as recommended by this report, there will, however, be a need to attach a number of conditions to the funding in order to protect and monitor the Council's investment, namely:
- (a) Production of quarterly and detailed annual report to be reviewed prior to the release of further scheduled grant payments. (Method of reporting to align to other major funder models where appropriate).
 - (b) An annual update report to Cabinet in order to ensure progress and position is transparent.
 - (c) Grant payment to be scheduled in agreement with other project funders and Redhills to ensure funding is profiled to meet cash-flow requirements, and to best protect the Council's investment.
 - (d) Partnership working on the development of the Durham History Centre including attendance at relevant meetings to ensure complementarity of provision.

Conclusion

- 39 Funding is essential to protect the activity and collections of Redhills and to develop a pathway to sustainability for its future operations. Partner funding is required to unlock large scale investment from NLHF therefore without the support of council, this would be less achievable.
- 40 Support of £1,103,615 should be provided to support fund raising application to NLHF. This amount is conditional on funding from NLHF being awarded and DMA securing all of the matched funding required.
- 41 The Council will work in partnership with the association to resolve short and long term issues regarding archiving of materials.

Background papers

- None.

Other useful documents

- None.

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Appendix 1: Implications

Legal Implications

Insofar as the proposed works constitute repair or maintenance of a listed building the Council has power to make a grant towards the costs under Section 57 of the Planning (Listed Buildings and Conservation Areas) Act 1990. The Council's general power of competence under the Localism Act 2011 enable it to contribute to the project as a whole if Cabinet are satisfied that the making of a grant would be of benefit to the area.

Finance

If the NHLF bid is successful and a scheme can be developed within the overarching budget then the council contribution of £1.103,615 will be financed from capital contingencies.

Consultation

None from this report.

Equality and Diversity / Public Sector Equality Duty

None from this report.

Human Rights

None from this report.

Crime and Disorder

None from this report.

Staffing

None from this report.

Accommodation

None from this report.

Procurement

None from this report.