

Revolving Investment Fund Committee

Item
7

23 February 2015

Report of	Head of Commercial Services	Author	Fiona Duhamel 01206 282252 Bill Seamen 01206 282930
Title	The Wonderhouse Business Case Proposal		
Wards affected	All		

This report concerns the proposal to develop a new public facing facility in the St Botolphs Quarter (The Wonderhouse) which unlocks the potential of the Colchester Museums Collection as a new resource for creativity and Learning, contributing to the economic growth of the town with potential for future income streams to help meet the Council's future financial targets

1. Decisions Required

- To approve the proposals including high level building specification, costings, and delivery programme as identified in the attached confidential Business Case to create a new public facing facility which unlocks the potential of the Colchester Museums Collection as a new resource for creativity and Learning. This would provide for 6 ground floor retail/ workspace units, including the entrance to the Digital Collections Centre (total of 365m² GIA) and a first floor space for the new Digital Collections Centre (488m² GIA)
- To approve the recycling of the capital receipt from the sale of the current museum resource centre at Ryegate Road to provide match funding for the project.
- To agree that bids are made to relevant the funding organisations as detailed in the funding strategy within the confidential business case

2. Reasons for Decisions

- 2.1 The RIF was established to recycle capital receipts into projects that could deliver a number of Council objectives. The RIF can be used to support wider economic growth targets and deliver infrastructure supporting regeneration. This project directly supports these objectives by recognising the contribution that the outstanding heritage and heritage collections of the town make as a key element in its economic and cultural development. The creation of the Wonderhouse will give access to Colchester's unique and internationally significant collections in a new purpose built building adjacent to the town's Roman Wall, firstsite and the new Creative Business Centre in the St Botolph's regeneration area.

- 2.2 The project will also establish a new way of working for what has previously been a back office facility operating and fully funded by the Council as part of the Colchester and Ipswich Museum Service (CIMS). The development includes a number of income generating opportunities which collectively could be expanded to eventually reduce Council budget input and ensure the facility operates in a commercial way.
- 2.3 Funding is required to deliver the capital build and a number of potential external funding sources have been identified which will be pursued over the coming months. The capital receipt from the sale of the current Museum Resource Centre can be recycled through the RIF to provide the required match funding for the project.

3. Alternative Options

- 3.1 The Council can consider a number of ways of using capital receipts, but it has established the RIF as a means of revolving funds for reinvestment to meet its objectives. The Committee needs to decide if the Wonderhouse proposal is the right opportunity for such investment, taking into account the ability to lever in external funding into the project.

4. Supporting Information

- 4.1 The business case for the Wonderhouse project has been developed following 6 months of feasibility work funded through an allocation of New homes Bonus monies in 2014.
- 4.2 The feasibility process included work on concept designs, cost plans, site investigations, planning investigations, financial viability and the development of a funding strategy. The finalised business case has been attached to the report as a confidential appendix as it contains commercially sensitive information at this stage.
- 4.3 The current Museum Resource Centre is in need of significant investment to bring it up to minimum standards. It is not energy efficient, requires re-wiring and has a significant maintenance backlog. However the building is situated in close proximity to the Castle and park and within a residential part of the town centre so the opportunity for sale and redevelopment for alternative use is high. Previous reviews of this service asset have therefore identified the opportunity to relocate the existing operation to a new site and sell the building for a capital receipt.
- 4.4 The Colchester collections are of international significance and need to be accessible to the wider public in order to support the strategic heritage tourism aspirations of CBC and support Colchester's emerging role as a Cultural Creative Hub.
- 4.5 The Roman Wall at the upper levels of the St Botolph's quarter are currently hidden and inaccessible to visitors.

5.0 The Proposal

- 5.1 It is proposed to redevelop part of the former First Group Bus Depot, on Queen Street (purchased by the Council in December 2014), to create a new public facing facility which unlocks the potential of the Colchester Museums Collection as a unique resource for creativity and Learning. The development would also create up to 6 ground floor retail/ workspace units (total of 365m² GIA) and a first floor space for the new Wonderhouse (488m² GIA)

- 5.2 CIMS is developing a pioneering approach in Colchester and Ipswich which uses the museum collections and buildings as a resource for creativity and learning. To be located within the St Botolphs Quarter, the Wonderhouse provides an exciting opportunity to develop a dynamic relationship between heritage and contemporary art giving greater access to Colchester's magnificent collections for students, artists, schools and the wider public with the ability to provide physical links through shared workshops and back of house facilities.
- 5.3 It is proposed that the existing Council owned asset at Ryegate Road is declared surplus and subsequently marketed and sold to provide a capital receipt which, subject to RIF approval can be recycled to provide match funding for the new development
- 5.4 As part of the proposals, some of the items currently stored in the Ryegate Road building will be relocated to an existing building in the Council's ownership at Heckworth Close. A sum has been allocated in the business case for this move.
- 5.5 Items currently stored will be digitalised which will enable substantially more public access to the whole resource. Storage space can then be rationalised to free up valuable space.

6. Strategic Plan References

- 6.1 The proposal contributes to the Council's aim to "Become commercially focused and even more business-like in order to be free of government grant by 2017" by seeking to develop a new commercial model which will seek to create a centre which is financially sustainable.
- 6.2 The scheme will "Regenerate our Borough through buildings, employment, leisure and infrastructure" by providing a new high quality heritage facility in the heart of the St Botolph's regeneration area.
- 6.3 It will also "Improve opportunities for local business to thrive including retail" by offering a number of retail units which could be offered to independent traders.

7. Consultation

- 7.1 The project has been subject to a feasibility exercise up until this point so has not been subject to any formal consultation although consultation with key stakeholders has been ongoing. A planning application for the scheme will be consulted upon in the usual way.

8. Publicity Considerations

- 8.1 A positive news story for the Town that not only does the regeneration of this part of the town centre continue to benefit from new external investment but also the commercial units provide an opportunity for jobs growth and the learning/training aspects contribute to the skills development in the Borough. There are also significant cultural and heritage benefits, especially the unlocking of the currently hidden Roman wall in St Botolph's.

9. Financial implications

- 9.1 The financial implications and case for investment are addressed in detail within the Business Case which is attached to this report as a confidential appendix.

10. Equality, Diversity and Human Rights, Community Safety and Health and Safety implications

- 10.1 None identified at this stage, but the resource should be substantially more accessible than it currently is.

11. Risk Management Implications

- 11.1 A risk register has been prepared for the scheme. The key identified risks are reported in the Business Case.