

Executive

17 November 2015

1 PURPOSE AND SUMMARY

- 1.1 This report provides Members with an update on the proposals to create a Jim Clark Museum by refurbishing and extending the existing displays at 44 Newtown Street, Duns. The report further seeks approval for officers to submit a stage 1 application to Heritage Lottery Fund (HLF) by 27 November 2015 for a grant to support both the capital works and a 4 year supporting revenue programme.**
- 1.2 During 2015 officers have worked with the Jim Clark Memorial Room Trust (JCMRT) to develop proposals for a new Jim Clark Museum in Duns. Based on a design proposal prepared by the Council's Architects the total capital costs of the project have been estimated at £1.4m. Including the 4 year revenue programme the total project cost is £1.65m. In February 2012 Scottish Borders Council approved a capital investment of £620k within its Capital Plan, of which a balance of £603k is available to be allocated to the next phases of the project's delivery. To bridge the funding gap a twin track approach is proposed
- (a) A Stage 1 Heritage Lottery Fund application and accompanying business plan has been prepared. The HLF application is for 41% of the project costs or c£700k, this also includes an allocation towards the accompanying revenue programme. To meet the project and HLF timetable the stage 1 application requires to be submitted by 27 November 2015.
 - (b) A separate fund raising programme led by the new Jim Clark Trust with a target of £300k.
- 1.3 The JCMRT Trustees, and in particular the family trustees, feel there is significant added value they can bring to the project in terms of experience, networking and fundraising that is difficult to deliver through the limited scope of the JCMRT. As a result a new SCIO, a Scottish Charitable Incorporated Organisation, has very recently been established by the family Trustees. This new trust will be known as the Jim Clark Trust and will work in partnership with the Council, the proposed Culture and Sports Trust and the JCMRT. It is important that an effective and robust written Agreement clarifying roles and responsibilities is developed and this is seen as a key outcome of the HLF stage 1 period.

2 RECOMMENDATIONS

2.1 I recommend that the Executive:

- (a) Notes the progress that has been made to create a Jim Clark Museum at 44 Newtown Street, Duns including the financial implications as set out in the report;**
- (b) Notes the reasons for the establishment of a new charitable trust, The Jim Clark Trust, and agrees the need to establish an effective and robust Agreement between this new Trust, Scottish Borders Council, the new Culture and Sports Trust and the existing Jim Clark Memorial Room Trust;**
- (c) Agrees that the acceleration of the construction programme to deliver the project by May 2018 will require to be incorporated into the considerations for the construction of the 2016/17 ten year Capital Plan and may have an impact on the timing of other capital projects or the capital funding assumptions underpinning it;**
- (d) Agrees to submit the stage 1 HLF application by 27 November 2015;**
- (e) Instructs officers to return to the Executive with an updated report and business plan before submitting a stage 2 HLF application; and**
- (f) Agrees to proceed with a fund raising effort with the two Jim Clark trusts for the additional £300k required to bridge the funding gap.**

3 Background

3.1 Jim Clark Room

Following the death, in 1968, of twice motor racing world champion and Indianapolis 500 winner Jim Clark, his parents donated the unique collection of trophies representing his incredible career to Duns via the Local Authority. To provide public access to this collection, Duns Town Council funded the establishment of the Jim Clark Memorial Trophy Room in 44 Newtown Street. Following a refit and redisplay of the collections in 1993, funded by Berwickshire District Council, the Room was reopened by Sir Jackie Stewart. In 2014 a second display room, featuring mainly photographs and film, opened as a result a joint initiative between SBC and the Jim Clark Memorial Room Trust.

3.2 The Jim Clark Room:

- a) Is managed and operated by Scottish Borders Council Museum and Gallery Service.
- b) Is a fully accredited museum under the UK Museum Accreditation Scheme.
- c) Is a 4 star Visit Scotland accredited visitor attraction.
- d) Has over the past 5 years averaged c3,500 visitors pa and generated £9,600pa of income which, per visitor, is the highest of any of the Council's museums. The average expenditure in the same period is c £40,000 pa.

3.3 Jim Clark Memorial Room Trust

In 1978 Jim Clark's parents established the Jim Clark Memorial Room Trust (JCMRT) to formalise their gift of the trophy collection. This is a private trust and consists of two family members, with a controlling interest, two SBC Councillors and a representative from Duns Community Council. The role of the Trust is primarily around its ownership of the trophy collection and it works in partnership with the local authority largely around the ongoing display of the collection. The Trust has been very active in recent years in promoting the Jim Clark legacy and the Jim Clark Room and has been an active partner with Scottish Borders Council in both developing and promoting the plans for a new Jim Clark Museum.

3.4 In February 2012 Scottish Borders Council first approved an allocation in the capital programme to move the existing displays to a new site at the former Berwickshire High School (BHS). However, following representations regarding alternative sites and an options appraisal undertaken by Jura Consultants in summer 2014, the project was reviewed and re-scoped with 44 Newtown Street becoming the preferred location. The Jura report identified the Newtown St site as being better placed to attract more visitors and therefore being more cost effective to operate.

3.5 In January 2015 the Council's Architect Services produced a design proposal to transform 44 Newtown Street into the Jim Clark Museum – a must visit, sustainable, high quality visitor experience, that will bring new and repeat visits to the area and support other tourist related business.

- 3.6 (a) The proposed new attraction will have universal appeal but will particularly draw visitors from six main sectors:
- i) Local market;
 - ii) Day visitor market;
 - iii) Tourists;
 - iv) Motor racing enthusiasts;
 - v) International audience of motorsport enthusiasts;
 - vi) Education Groups.
- (b) This proposal has the support of the JCMRT and has formed the basis for a Business Plan and Heritage Lottery Fund Stage 1 Application which it is scheduled for submission on 27 November 2015 with a decision expected by March 2016.
- 3.7 SBC has committed £620,000 in its capital plan to support this project (£16,750 has already been spent in the pre-development stage leaving an allocated balance of £603,250). Of this, the bulk of the current approved budget (£515k) is profiled for expenditure in 2018/19.
- 3.8 Although there has always been an ongoing interest in Jim Clark's life and career recent 50 year anniversaries, particularly his first Formula 1 World Championship win (2013), his second Formula1 World championship and Indianapolis 500 victory (2015) and , unfortunately, his death (April 2018) have significantly increased this interest. The completion date for the capital project and the opening of the new museum is planned to coincide with the last of these anniversaries and will be a fitting celebration of Clark's career, life and legacy. This timescale will require a change to the approved expenditure profile within the Council's Capital Plan to enable the construction work to commence in 2017 to meet this completion date.
- 3.9 Jim Clark Trust
- The role and possible activities of the JCMRT is limited by its Deed of Trust. The Trustees, and in particular the family trustees, feel that there is significant added value they can bring to the project in terms of experience, networking and fundraising that is difficult to deliver through the limited scope of the JCMRT. As a result a new SCIO, a Scottish Charitable Incorporated Organisation, has recently been established. Centred again round a core of family trustees, this new trust will be known as the Jim Clark Trust and will work in partnership with the Council, the proposed Culture and Sports Trust and the JCMRT.
- 3.10 The plans for the new museum are ambitious in scope and a significant fundraising campaign to help both the capital phase and support the operation of the new museum will be required. The family trustees feel that over the past 2-3 years the work they have done in raising the project's profile, particularly within the motor racing community, will mean that ambitious fund raising targets are achievable.
- 3.11 Due to the personal contacts of the trustees, the Jim Clark Trust will be better placed than the Council to broker arrangements for the loan of Clark associated cars for display. Already a number of offers of loans have been made and there is the basis of an ongoing loan programme for at least the first five years of operation.

- 3.12 Work on drafting an Agreement between the Council and the two Jim Clark trusts is now underway and this is a key outcome to be delivered in the Development phase of the HLF project – see para 4.4 for more detail. This Agreement will need to cover shared aims and objectives, areas of responsibility, assurances on the core trophy collection remaining in Duns, fundraising and the allocation of funds, developing and maintaining the new museum to full accreditation standards and future collecting responsibilities.

4 PROPOSALS FOR THE NEW MUSEUM AND FUNDING

- 4.1 Working to a brief agreed by Council Officers and the JCMRT, the Council's Architect Service prepared an exciting and innovative design solution for the new museum at 44 Newtown Street. The proposals have been on display in the Jim Clark Room over the current season and were promoted at the Jim Clark Weekend in Duns in May 2015, which was attended by over 6,000 people, and have had a positive response. Both the brief and design proposals are attached as Appendix 1.
- 4.2 The proposals include integrating the large adjacent garage into the new museum as a display area for cars, creating significant additional space for expanded displays, developing a full retail area, an audio visual area meeting space and staff accommodation. When complete the integrated building will have a very visible presence in the townscape and create a fitting new home for the Jim Clark collections.
- 4.3 The capital costs are estimated at £1.4m. This reflects 2017-18 estimated prices. With a Council contribution of circa £600k, the project in its current form will require successful grant applications to HLF and Museums Galleries Scotland, both led by SBC, alongside a separate fund raising project, for a minimum of £300,000, to meet the estimated project capital and revenue costs. This later fundraising project will be led by the new SCIO, using industry-wide contacts and a network of patrons who have already expressed interest and support.
- 4.4 Heritage Lottery Fund Application
SBC employed an independent museum consultant, Rachel Hunter, to work with officers and JCMRT to prepare a business plan and complete the stage 1 HLF application.
- 4.5 The HLF application is a 2 stage process. The Stage 1 application provides HLF with an outline of the project, costings based on preliminary architectural design work and a first draft business plan. If successful, the stage 1 award provides a grant for the development stage of the project which funds further work on the design scheme to the pre-tender stage, finalising the business and operational plans and any other outcomes required to underpin the project. A successful stage 1 application also provides an in-principle award for the main capital project. This award can only be confirmed after the successful completion of the stage 1 phase and a stage 2, or delivery phase, application.
- 4.6 For this particular project, the request to HLF for phase 1 is for £53k matched by a SBC contribution of £31k. The Phase 2 capital request to HLF is approximately £530k, or 41% of the total cost.

- 4.7 As part of the application process, a first draft business plan has been prepared. This includes estimates of ongoing revenue costs for the new museum. Two projections of visitor numbers have been commissioned by SBC. The first by Jura Consultants projected a total of 7,000 visitors pa. The second by Paul Normand of Heritage Business Limited projected 15,000 visitors pa. The mid-point of these two projections, i.e. 11,000 visits per year increasing by 5% pa, has been used as the basis of the business plan visitor projections. While the increase of 3,500 to 11,000 visitors per annum is a significant target it needs to be noted that the 2015 Jim Clark weekend organised by Classic Team Lotus and the JCMRT attracted more than 6,000 visitors to Duns over a two day period with some of these visitors coming from outside the UK. Part of the work that will be undertaken in the development phase will be to plan how the project partners can build on the success of the Jim Clark Weekend and create an exhibitions and events programme that will attract the required number of visitors.
- 4.8 The current business plans suggests that during the 4 year HLF funded revenue project, there is a deficit of c£12.5k pa that still needs to be addressed through further development of budgets and the fundraising mentioned in 4.9. When the HLF funding ends in 2021, there remains a projected new operating deficit of just over £8k per annum that also needs to be addressed. Moving from deficit to operating surplus is one of the work strands in the Development stage. Following the completion of the development stage and before the stage 2 HLF application is submitted the revised business case will be brought back to elected members for approval.
- 4.9 Fundraising
- The business plan identifies that even if the HLF application is successful, there is a c£300,000 funding gap in the capital and revenue elements of the project and a small annual revenue deficit that has to be addressed through additional income generation, sponsorship or fundraising. A key outcome for the Development Phase is the preparation of a fundraising strategy and launch of a fundraising campaign. There is a budget allocation in the Development Phase to support this work. The new Jim Clark Trust will have a leading role in the campaign and their ability to tap into the motor racing community and utilise their patrons group headed by Sir Jackie Stewart provides a degree of confidence that this target is achievable.
- 4.10 Timetable
- If the museum is to be ready for the 50th anniversary of Jim Clark's death, in May 2018, the HLF stage 1 application needs to be submitted in time to meet the 27 November 2015 deadline. This would result in a decision in March 2016 and if this is positive, the following is the outline timetable. It is worth pointing out that this is already a challenging timetable.
- 4.11 Development Phase – provisional timescale based on a HLF submission in November 2015 and a positive decision by March 2016

4.11.1 Development Phase Timescales

Task	Start date	End date
Submit stage 1 HLF Application		November 2015
HLF decision		March 2016
Capital works plan	March 2016	October 2016
Architect's plans to stage D	March 2016	October 2016
Activity plan (exhibitions and Events)	March 2016	October 2016
Interpretive Design plan to stage D	March 2016	October 2016
Business plan and review of revenue costs	March 2016	October 2016
Partnership Agreement between SBC, JCMRT and Jim Clark Trust	March 2016	October 2016
Fundraising strategy	March 2016	October 2016
Fundraising Campaign	March 2016	October 2016
SBC Executive Report for approval to submit stage 2 Application	Sept 2016	September/ October 2016
Submit Stage 2 HLF Application		October 2016

4.11.2 Delivery Phase (provisional) - assumes a positive decision by January 2017

Task	Start date	End date
Procurement	January 2017	August 2017
Construction	Sept 2017	May 2018
Museum fit-out	March 2018	May 2018
Activity plan	April 2017	April 2021

4.12 Project Leadership and Management

This is a Scottish Borders Council project to convert a Council owned building into a modern museum. If the stage 1 HLF application is successful, the management of the capital phase will be delivered via the Council's Capital Projects team and operated under a Prince2 framework. The Project's new Culture and Sport Trust Board will include representation from the Museum Service, Council Architects, Finance, Legal and a representative from the Jim Clark Trust.

4.13 Operational Management

When the new museum is completed it will be managed and operated by the integrated Culture and Sports Trust, although the building will continue to be owned by Scottish Borders Council. However, it is recognised that the two Jim Clark Trusts have an important and supportive role to play in the sustainable operation of the new museum. This role needs to be acknowledged in the Agreement between the two Jim Clark Trusts, the Council and the proposed Culture and Sports Trust.

5 STRATEGIC FIT

5.1 This project has a good strategic fit against a number of national and regional strategies which are listed below. The local economy in both the immediate Duns area and the wider Scottish Borders will benefit from the increased number of visitors the projected will generate. In addition, the raised profile of the Jim Clark name and potential associated events and activities, for example the Jim Clark Weekend or Jim Clark trail, will also create increased footfall and economic benefit. This was highlighted in the 2014 Jura options appraisal and has been developed in the draft business plan produced to support the HLF application.

5.2 **Scottish Borders Cultural Strategy (2014)**

(a) The Cultural Strategy for the Scottish Borders, which was commissioned by Scottish Borders Council includes in its vision:

"By 2019 the Scottish Borders will be recognised and celebrated for what it is – one of the richest, most distinctive and diverse cultural regions in Scotland."

(b) The proposed new museum for Jim Clark sits well against this vision adding an extra dimension as well as complementing the existing cultural offerings in the Scottish Borders and supporting the premise that the region that can support the growth of cultural tourism.

5.3 **Scottish Borders Economic Strategy 2013-2023**

(a) The Scottish Borders Economic Strategy was published in June 2013 and sets out a ten year vision for the area. The Strategy makes it clear that Scottish Borders Council has put Economic Development at the heart of the Council's purpose.

(b) The Vision for a prosperous economy is that:

"By 2023 the Scottish Borders will be amongst the best performing and most productive rural economies in Scotland. By supporting existing businesses and encouraging higher value economic activity, our quality of life will increase. The Borders will become a location of choice for growing businesses and for people to live and work."

(c) The strategy further notes:

"The tourism and leisure sector also provides opportunities for economic diversification and developing the rural economy further is an important activity in the place programme – making the Scottish Borders a location that people want to visit, want to live in, want to work in and want to do business in."

(d) The Jim Clark Museum delivers against this vision and in particular meets the following two strategic aims:

- i) To sustain or grow activity in key local sectors including textiles, tourism, food & drink, renewables and creative.
- ii) To maximise recreational, retail and cultural opportunities.

(e) And to a lesser extent the following three aims:

- i) To attract new businesses to the Scottish Borders.
- ii) To maximise the economic development potential of the Borders Railway.
- iii) To encourage and support the transition to a low carbon economy.

5.4 Tourism

- (a) A Scottish Borders Tourism Strategy 2013–2020 has been produced by the Scottish Borders Tourism Partnership (SBTP), a mix of private and public sector companies, including VisitScotland and SBC, working to promote the tourism industry in the Scottish Borders. Its main role is to direct the region’s tourism strategy so that it meets the needs of tourism businesses in the Scottish Borders.
- (b) The vision is:
"To grow tourism visits and spend in the Scottish Borders, through positioning and promotion as a sustainable, year-round destination, which capitalises on its unique geography, heritage, natural environment and people".
- (c) Again the Jim Clark Museum delivers against this vision and particularly against the following two targets:
- i) Targeting Our Growth Markets
 - ii) Providing Authentic Experiences
- by its focus on one of the few Borderers with an international reputation and the ability to appeal to domestic, foreign and emerging markets. The Jim Clark story will be told in a suitably striking building housing the his unique trophy collection and a changing display of racing cars from the 1960s to the present day.

5.5 Transport Links and Borders Railway

- 5.5.1 (a) Duns is easily accessible by car from the A1 and Berwick (15 miles). The new Borders Railway will increase accessibility for visitors arriving in the west of the Borders. With the re-opening of the museum proposed for 2018, the strategic impact of the Borders Railway, running from Edinburgh to Tweedbank, will be in force, raising the profile of the Borders region and the museum will be in a position to respond to associated marketing and tourism strategies and initiatives. *Borders Railway Maximising the Impact: A Blueprint for the Future* states that the overall vision for the railway is:
"to create something which delivers a whole range of benefits for the economies of Midlothian, the Scottish Borders and Edinburgh. By better connecting the city region and its communities, the new railway has enormous potential to trigger significant economic benefits for Scotland. It will help stimulate the growth of businesses, generate employment and boost tourist visitor numbers".
- (b) The strategy goes on to say:
"We're committed to continually supporting our tourism and food and drink sectors to ensure we are ready to capitalise on the excellent opportunity we now have to raise the profile of the area as a key visitor destination. Supporting our businesses to capitalise on new markets The Borders Railway is a fundamental part of delivering our Tourism Scotland 2020 Strategy and promoting growth in Scotland's visitor economy to 2020. By 2016, the Borders Railway will be delivering an annual capacity for 1.9 million return journeys and we want to see a significant proportion of these being used by visitors".

5.5.2 The proposed reopening of Reston station on the main Edinburgh London east coast line will bring further tourism benefits to the east side of the Borders, including Duns.

5.6 **Museum Sector**

SBC Museums Service has always participated in shaping and responding to sector strategies and initiatives, particularly as led by Museums Galleries Scotland (MGS). The Jim Clark Museum project is very much in line with the current aims of, *Going Further: the National Strategy for Scotland's Museums and Galleries*, the six aims of which are:

- 1) Maximise the potential of our collections and culture.
- 2) Strengthen connections between museums, people and places to inspire greater public participation, learning and well-being.
- 3) Empower a diverse workforce to increase their potential for the benefit of the sector and beyond.
- 4) Forge a sustainable future for sector organisations and encourage a culture of enterprise.
- 5) Foster a culture of collaboration, Innovation and ambition.
- 6) Develop a global perspective using Scotland's collections and culture.

5.7 **Motor Sport**

- (a) The Jim Clark Memorial Room Trust and the new Jim Clark Trust already have strong connections with the contemporary world of motorsport which this project will use to gain access to the knowledge, skills and expertise of racers and workers in the industry. The Activity Plan for the project will explore the potential to develop internships, undertake car restorations and develop learning opportunities and resources in subjects such as technology and design, relevant to the Curriculum for Excellence in schools.
- (b) The new SCIO will seek to explore these relationships further within the motorsport community, many of whom are already aware of plans, including but not limited to: Lotus, Ford, Jaguar, Aston Martin, Team Lotus, Classic Team Lotus, Club Lotus, Goodwood, British Racing Drivers Club, Scottish Motor Racing Club, Ecurie Ecosse, Berwick Motor Club, The Jim Clark Rally, RAC, race circuits including Knockhill, Ingliston, Charterhall, Silverstone, Brands Hatch, Indianapolis and The Henry Ford Museum.

5.8 **Local initiatives**

A Heart for Duns (AHFD) is a SCIO which has been established to develop a vibrant community facility for Duns, using the Volunteer Hall as a multi-purpose venue for holding events such as food and craft markets, live music, community theatre, film nights and ceilidhs. This group has an interest in local history. SBC will approach A Heart for Duns during the development phase of the project to discuss mutual benefits and scope for collaboration between the museum and AHFD.

6 IMPLICATIONS

6.1 Financial

(a) The cost of the project can be summarised as follows:

Development Capital	£90,100
Delivery Capital	<u>£1,287,800</u>
	£1,377,900
Additional Net Revenue Cost over 4 years	<u>£268,400</u>
Total Project Costs	<u>£1,646,300</u>

(b) Estimated Project Funding

HLF Development phase (unsecured)	53,100
SBC Development Phase	31,000
Volunteer Contribution Development Phase	6,000
HLF Delivery Phase, Capital and Revenue (unsecured)	643,900
SBC Delivery Phase	572,300
Fund raising Campaign, Capital and revenue (unsecured)	300,000
Museums Galleries Scotland (unsecured)	40,000
Total	1,646,300

(c) Should the HLF application be unsuccessful the project will need to be reviewed and re-scoped to consider next steps. These could include:

- i) Resubmit to HLF, potentially reducing the HLF grant request and increasing financial support sought from other sources. However, the timescales would rule out a major capital works programme being completed in time for May 2018.
- ii) Reviewing the scope and scale of the project and alternative sources of funding. As there would be no other single source of funding that could meet the intervention level that HLF could provide it is likely that the design solution would have to be more modest and that the private and commercial fundraising would have to be more ambitious. The role and contribution of the two Jim Clark Trusts will be key in re-scoping the project and securing necessary finance.
- iii) Both i) and ii) above assume the any revised proposals would require to be resubmitted to Executive for approval before committing any further capital expenditure in addition to the £16,750 spent to date. This would provide the Council with the opportunity review its continued involvement in, and financial contribution to, the project.

(d) At this stage the change to the capital expenditure profile required is estimated as follows:

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Expenditure	10	16	90	902	386	1404
<u>Funded by</u>						
HLF/Museums & Galleries Scotland		0	53	408	126	587
Fundraising		0	6	121	70	197
SBC Contribution	10	16	31	373	190	620
Current Approved Plan	10	16	79	0	515	620
Variance	0	0	-48	373	-325	0

(e) The impact of the change in profile will need to be considered as part of the construction of the 2016/17 10 year Capital Plan

(f) The current estimated profile of the revenue costs, starting in 2017/18 and compared to the 2015-16 base is as follows:

	Existing costs	New costs and existing costs combined				
	Base	Year 1	Year 2	Year 3	Year 4	Year 5
		(construction)				(no HLF)
Expenditure	2015-16	2017-18	2018-19	2019-20	2020-21	2021-22
Staff	33,082	50,351	62,109	62,146	62,146	44,740
Property	2,990	1,850	11,670	11,670	11,670	11,670
Transport	600	1,400	1,600	1,600	1,600	1,100
Supplies & Services	6,040	26,290	29,490	28,220	33,724	26,753
Contingency and inflation	0	3,346	6,561	6,685	7,223	2,417
Total Expenditure	42,712	83,237	111,430	110,321	116,363	86,680
Income						
Donations	-2,500	0	-11,000	-11,550	-12,128	-12,734
sales	-8,900	-9,000	-27,500	-28,875	-30,319	-31,835
gift aid	0	0	-1,210	-1,271	-1,334	-1,401
Total Income	-11,400	-9,000	-39,710	-41,696	-43,781	-45,970
Operating deficit	31,312	74,237	71,720	68,625	72,582	40,710
anticipated HLF grant		-18,665	-30,224	-29,770	31,427	0
less SBC Base Budget	-31,312	-31,311	-31,624	-31,941	-32,260	-32,583
Net deficit	0	24,260	9,871	6,915	8,895	8,127

- (g) These estimates suggest that over the 4 year period of the HLF revenue project there is new revenue deficit of just under £50k, with a spike in year 1 because of loss of income earning potential as the museum will be closed due to reconstruction/refurbishment. This will be address by the fundraising programme. Once the HLF funding ends the estimates suggest a net £8k per annum deficit. These projections will be robustly tested as part of the development phase of the project alongside developing plans in the build up to the opening in 2018 to remove the deficit by considering means of creating alternative income streams and reducing expenditure. Any eventual additional revenue costs resulting from this project will have to be addressed from within the Cultural Services revenue budget.

6.2 Risk and Mitigations

- (a) The two stage process provides SBC with the opportunity to review its ongoing involvement in, and financial commitment to, the project as follows:
- If the HLF stage 1 application is unsuccessful.
 - If the stage 1 application is successful the project can be reviewed at the end of the development phase where the robustness of the partnership arrangements can be assessed and the progress of the fundraising campaign can be evaluated and better estimated.
- (b) The risks are divided against the various phases of the project but one common to all phases is a reputational risk to SBC if they withdraw from the project. The inclusion of budget in the Council's capital programme since 2012 has raised the profile of the project and it has generated considerable interest nationally and internationally with a number of high profile patrons very visibly lending their support. There is now a high expectation that after the last two years of planning a new Jim Clark Museum the project can now get properly underway.

Risks in development phase

Risk	Likelihood	Impact	Mitigation	Who will lead on this
SCIO governance: new Jim Clark Trust needs to establish high standard of governance quickly	Low	Med	Budget for board development in Phase 1	SBC/Jim Clark Trust
Failure to agree sustainable working agreement between SBC, JCMRT and Jim Clark trust	Low	High	<ul style="list-style-type: none"> • Common purpose • Clarity on roles • Budget to support process in Phase 1 	SBC/Jim Clark Trust
Impact of transition of SBC Cultural	Low	Low	<ul style="list-style-type: none"> • Careful management during 	SBC

services to Culture and Sports Trust			transition period. • Clear understanding off issues	
Failure to achieving match funding targets	Low	High	• Effective SCIO, Patrons Group, • SBC input in fundraising. • Budget for developing fundraising strategy in Phase 1. • SBC contribution confirmed in Capital Plan	Jim Clark Trust/SBC

Risks in delivery phase (capital phase)

Risk	Likelihood	Impact	Mitigation	Who will lead on this
Status of building: hidden repair costs	Med	Med	• Contingency, plus robust planning at stage 1	SBC
Missed opportunity round anniversary of Jim Clark's death in 2018	Med	Med	• Sound project planning. • Work with SCIO to maximise anniversary opportunities	SBC
Failure to achieve funding targets, HLF and other fundraising	Medium	High	• Effective SCIO, Patrons Group. • Robust Fundraising strategy developed and launched during development phase • SBC contribution confirmed in Capital Plan • Opportunity to review and re-scope project	

Risks for operational phase, ie after completion of capital phase

Risk	Likelihood	Impact	Mitigation	Who will lead on this
Governance and leadership issues	Low	Med	<ul style="list-style-type: none"> • robust agreement involving all partners, review and renewal. • ongoing board development • Clear roles and responsibilities 	SBC
Failure to attract sufficient visitors and therefore insufficient income generated to cover additional costs	Low	Med	<ul style="list-style-type: none"> • Robust business planning during development phase. • Role of Jim Clark Trust in assisting marketing, events, loan of cars and fundraising. • Assumptions based on mid-point of two visitor estimates. • Re-profile spend and activities • Consider alternative operational model. 	SBC/ Jim Clark Trust

6.3 Equalities

An Equalities Impact Assessment has been carried out on this proposal and there are no adverse equality implications.

6.4 Acting Sustainably

This project supports the Council's need to act sustainably by:

- (a) Building/regeneration developments, along with links to other tourism destinations, will seek to provide solutions, which minimise the impact on the environment.
- (b) Building materials will be locally sourced, where appropriate, thereby ensuring the most sustainable procurement methodology.
- (c) Bringing back into full productive use a partially occupied building in Duns town centre.
- (d) Supporting community capacity building.

6.5 Carbon Management

Minimise any negative impact on the Council's carbon emissions through appropriate consideration during the design process including consideration of the delivery of service provision.

6.6 Rural Proofing

There are no adverse impacts to rural areas as a result of these proposals.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes will be required to the Scheme of Administration or the Scheme of Delegation.

7 CONSULTATION

7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, the Clerk to the Council and the Capital Projects Manager have been consulted and any comments have been incorporated into the final report.

Approved by

Rob Dickson **Signature**

Corporate Transformation & Services Director

Author(s)

Name	Designation and Contact Number
Ian Brown	Cultural Services Manager

Background Papers: [insert list of background papers used in compiling report]

Previous Minute Reference: [insert last Minute reference (if any)]

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. [Insert name] can also give information on other language translations as well as providing additional copies.

Contact us at [insert name, address, telephone number, fax, e-mail]