

Agenda Item No. 7(m)

DERBYSHIRE COUNTY COUNCIL

CABINET

7 July 2015

Report of the Strategic Director – Economy, Transport and Environment

**PROPOSED REDESIGN OF THE GOVERNANCE ARRANGEMENTS OF
THE DERWENT VALLEY MILLS WORLD HERITAGE SITE FOLLOWING A
STAKEHOLDER CONSULTATION (HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE)**

(1) **Purpose of Report** To seek Cabinet approval to redesign the governance arrangements of the Derwent Valley Mills World Heritage Site (DVMWHS) Partnership in the light of a recent stakeholder consultation exercise.

A redesign of the management arrangements will follow once the revised arrangements are implemented.

(2) **Information and Analysis** On 5 July 2014, Cabinet proposed a number of cuts to deliver £157 million budget cuts by 2018. One of the proposals was to cut the County Council's contribution to the DVMWHS Partnership by £60,000.

On 6 October 2014, Cabinet approved a twelve-week stakeholder consultation on the proposed cut which ran until 16 January 2015. Consultees were specifically asked for their views on the following key questions:

- what the impact of the proposed cut would be; and
- were the cut to be implemented what the priorities for the Partnership going forward should be?

Twenty-four responses were received to the consultation. Consultees ranged from individuals who have a personal interest in the World Heritage Site (WHS) as volunteers and/or members of working groups who currently contribute to the delivery of WHS services, to a range of small, medium and large private, public and community sector organisations who have a specific interest in WHS matters. In addition, the Chair of the WHS Partnership, Councillor Ellie Wilcox, held a number of meetings with the current Partnership Board Members culminating in a Board workshop held on 12 March.

From the responses received, it is evident that much of the work of individual WHS Team members is viewed positively. Stakeholders specifically mention their input into a variety of projects and activities, including administrative and technical expertise and advice, contributions to external funding bids which have levered in over £1million in the last 12 months, and the delivery of resulting projects and engaging with the public and volunteers, particularly during the Discovery Days events which were acknowledged as an excellent platform to promote the site to a wider audience and bring in additional visitors.

Many consultees also cited the economic benefits that the WHS brings to the area, not only in terms of tourism, but in broader terms such as attracting new employers and businesses, for example the 28 businesses located within the Mills complex at Cromford, employing 120 people and attracting 100,000 plus visitors per year. They also highlighted the key role the WHS has in providing a focus for education, research, volunteering and contributing to a sense of pride and identity for residents.

Regarding the impact of the proposed cuts, Stakeholders' concerns can be summarised under the following headline themes:

- That the reduction in the County Council's funding could result in the loss of WHS Status. Consultees were keen that any proposals for the future management arrangements needed to contain measures to mitigate this risk.
- That the ability of the County Council and its Partners to deliver on commitments as set out in its five year Management Plan, would be diminished as would the Partnership's obligations to protect, conserve and enhance the "Outstanding Universal Value" of the WHS going forward. Consultees suggested that future arrangements would need to be creative in order to ensure that key commitments could still be delivered and existing projects supported, albeit accepting that this would be with fewer resources.
- That the reduction in County Council funding may undermine the efforts of the Partnership to secure external funding and investment in the future, and that developing arrangements, which would place the WHS in the best possible position to maximise external funding, needed careful consideration in order to mitigate any potentially negative impacts on the local economy.

There was, however, a strong feeling that there were areas of duplication in the current structure that, if streamlined, would deliver more effective ways of working. Suggestions included harness existing skills, expertise and capacity within the Council's Conservation and Design Team, the Environmental Studies Service's educational expertise and the County Council's Sustainable

Transport and Countryside Service, as well as making better use of Stakeholder and current Board Member resources.

With regard to what priorities should be given more limited resources, stakeholder responses can be broadly grouped under three key headings:

- Maintaining WHS Status – the site is the only WHS in the East Midlands and there was a shared view that this should be celebrated, conserved, protected and enhanced proactively through finding sustainable uses for building at risk within the site and through the planning process.
- Enhancement of the WHS – largely focusing on the growing regeneration potential of the site as a whole and its sustainability in the medium to long term, particularly around Belper, but building on the opportunities presented by the major investment at Cromford which will result in a modern, state of the art Gateway to the WHS opening in the Autumn 2015.
- Promotion – working with and promoting the site to schools, educational establishments, local people and businesses, and attracting visitors and investment to the area to boost the visitor and wider economy.

Those more actively involved in the Partnership at Board level believed strongly that in order to deliver the above priorities, immediate attention needed to be given to the governance arrangements of the Partnership and for this to be reviewed. The feedback received suggests that in order to ensure that the WHS Partnership operates on a more effective footing going forward, a less bureaucratic and simplified structure needed to be adopted that would be more agile, responsive and create wider stakeholder buy in.

It is, therefore, proposed, in the light of the responses received, that the current Board structure, established in 2010 be dissolved and new governance arrangements be established. It is proposed that new arrangements would consist broadly of the following key elements:

- A Partnership Steering Group, underpinned by a Partnership Agreement, meeting regularly to provide expertise, challenge and advice to the County Council and other funding partners in delivering the key objectives set out in the WHS Management Plan to:
 - conserve, protect and enhance the site;
 - unlock the potential of its wealth of heritage assets; and
 - maximise its regeneration and tourism potential and raise its profile locally, regionally and nationally to unlock external funding opportunities.

It is proposed that this group comprises Funding Partners, Chairs of the Panels described below and key stakeholders responsible for managing key destination assets within the site. It should work collaboratively with staff engaged in WHS delivery.

- Three Partnership Panels, to replace the numerous existing panels and working groups that are currently in place. One would retain a focus on conservation and planning to protect the Outstanding Universal Value of the WHS (in order to become a WHS, a site must be defined by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) as being of "Outstanding Universal Value". It is the key criteria for inscription as a WHS), one would retain a focus on education and promotion of the site to visitors, schools, businesses and local residents, and one would retain a focus on research and publications to provide credible, peer reviewed evidence to support the historic significance of the site and provide a mechanism to maximise academic funding opportunities.
- A "Friends of the World Heritage Site" Forum to replace the existing wider Partnership Forum which currently meets twice a year. This Group would seek to galvanise the support and input of existing stakeholders across the site, maximise volunteering and celebrate and promote success. In the medium to longer term this could provide a funding mechanism for encouraging donations and investment to the WHS from stakeholders, business and visitors.

It is proposed that the finer details of the above, in terms of membership, terms of reference and frequency of meetings be delegated to the Strategic Director – Economy, Transport and Environment in liaison with the Chair of the World Heritage Site Partnership and the Cabinet Member - Highways, Transport and Infrastructure. These detailed proposals would be subject to further stakeholder consultation and a further report to Cabinet.

The above structure would initially be supported by the existing staffing structure, however, in the light of the budget pressures, it is acknowledged that this would not be able to be sustained indefinitely and would therefore need to be reviewed once the revised governance arrangements, outlined above, were implemented.

Notwithstanding the above, however, the Council's commitment to the delivery of the five year Management Plan will be maintained.

(3) Financial Considerations WHS status comes with no UNESCO or Government Funding. The proposed cut to the County Council's contribution to the WHS Partnership of £60,000 would see its contribution reduce from £179,052 to £119,052 from the 2015-16 financial year.

The Partnership has already seen a reduction in its funding during 2014-15 as a result of a two-thirds cut in the funding received from Derby City Council from £30,000 to £10,000, and a total withdrawal of the £2,500 funding from Erewash Borough Council. In addition, Amber Valley Borough Council has reprioritised its funding for the Partnership, diverting £3,000 of its £10,000

contribution to supporting Belper North Mill Trust, although its overall contribution to WHS issues has remained constant. Derbyshire Dales District Council makes an annual contribution to the WHS of £10,000.

The County Council, as Lead Authority for the WHS Partnership employs four full-time staff, a Director, a Business Services Assistant and two co-ordinators at a total cost in 2015-16 of £169,516. Other associated costs include a modest project budget of £18,500, staff travel and other small recharges of £8,025.

If Project staffing and resources were to remain unchanged, the total income for the Partnership in 2015-16 would be £146,052; down on the figure reported in October 2014 to Cabinet, resulting in a budget deficit of £49,989.

The Economy, Transport and Environment Department holds an earmarked reserve for DVMWHS which currently stands at £213,333. If these were drawn on, as at the current rate of spend, these would be completely depleted by 2019, leaving no funding to pump prime projects or initiatives of match any available external funding. Whilst a complete diminution of the DVMWHS reserve is not recommended as a practicable long term solution, it is proposed to deliver the £60,000 budget saving in 2016-17 rather than in 2015-16 as originally planned and to utilise up to £60,000 of the reserve to deliver the budgetary saving required for one year only as an interim solution. This will enable the revised governance structure to be implemented, and review the staffing structure to enable the Partnership to continue to deliver the key priorities articulated by stakeholders arising from the consultation exercise.

The remaining reserve would be available to support project funding bids and to pump-prime Partnership activity.

From 2015-16 onwards, however, the WHS Team, comprising a Director, two Partnership co-ordinators and a Business Services Assistant would need to be reviewed. Proposals for revised management arrangements will be presented to a future Cabinet Meeting for consideration and would be subject to staff and Trade Union consultation.

(4) Legal Considerations The DVMWHS Partnership Board was established in 2009. Its terms of reference establish the Board as the “executive arm” of the Partnership, although no formal Partnership Agreement was put in place to formalise this.

The terms of reference of the Board require that alterations to the terms of reference and protocols, or a resolution to dissolve the Board, must receive a two-thirds majority vote from individual members attending a meeting of the Board which has been called specifically to discuss proposed alterations.

They will then need to be ratified by the Partnership as a whole at the Annual General Meeting.

Decision making regarding the level of funding contributions provided to the Partnership rest with the constituent funding authorities of which the County Council is the major contributor. The County Council is the Lead Authority for the Partnership and employs all Partnership staff.

In respect of the revised governance proposals, the Board has informally stated its support for the proposals outlined in the report. However, it is intended that, subject to Cabinet approval to the proposed arrangements going forward, formal ratification from the Board and relevant stakeholders would be sought as outlined above.

(5) **Equality and Diversity Considerations** The County Council will conduct an Equality Impact Assessment (EIA) in respect of finalised proposals for the redesign of the future WHS management arrangements in accordance with the duties set out in the Equality Act 2010. Under this Act, local authorities are under a legal duty to pay “due regard” to the need to eliminate discrimination and promote equality with regard to race, disability and gender, including gender reassignment, age, sexual orientation, pregnancy and maternity, religion and beliefs.

Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details – Allison Thomas, extension 33000.

(9) **OFFICER’S RECOMMENDATIONS** That Cabinet:

9.1 Endorses the County Council’s ongoing commitment to the Derwent Valley Mills World Heritage Site and the delivery of its Management Plan to conserve, enhance and protect its World Heritage Site status and maximise its economic regeneration potential.

- 9.2 Endorses the revised governance arrangements for the Derwent Valley Mills World Heritage Site Partnership to ensure that the Partnership is more responsive and agile, and has greater stakeholder buy-in.
- 9.3 Delegates responsibility for finalising revised governance arrangements for the Derwent Valley Mills World Heritage Site, as defined in broad terms in this report, in liaison with the Chair of the World Heritage Site Partnership and Cabinet Member – Highways, Transport and Infrastructure, and in consultation with key stakeholders.
- 9.4 Endorses the use of up to £60,000 of the departmental reserve for the Derwent Valley Mills World Heritage Site to sustain existing staffing levels for the World Heritage Site Team until such time as a revised structure is implemented which will be undertaken as soon as is practically reasonable.
- 9.5 Agrees to a further report on a revised staffing structure being submitted to a future Cabinet meeting for consideration, subject to consultation as appropriate.

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