

National Mining Museum of Scotland

Report by Kenneth Lawrie, Chief Executive

1 Purpose of Report

- 1.1** This report provides an update on matters relating to the National Mining Museum of Scotland (NMMS), particularly in respect of the funding of the Museum.

2 Background

- 2.1** The Scottish Mining Museum (later renamed NMMS) opened in 1984 as a nationally registered independent museum founded to preserve Scotland's mining heritage.
- 2.2** The Museum received substantial funding from the Council and predecessor authority on an annual basis over many years: a report to Council in June 1999 noting that in the period 1991 to 1999 some £1.6m in revenue funding and almost £100,000 in capital funding had been provided. At that meeting in June 1999 the Council confirmed a further revenue grant to the Museum in 1999/2000 of £126,195, but also agreed that the Museum be encouraged to secure support funding elsewhere.
- 2.3** In December 2008, Council considered a further report proposing withdrawal of Council grant funding from the Museum in order to secure efficiency savings. Council agreed to do so from 1 July 2009 in order to allow the Museum some "breathing space" in order to seek alternative funding. Council also agreed to continue to lobby for national funding support for the Museum, and that elected Members also lobby their respective political parties for national funding support for the Museum.
- 2.4** In March 2009 Scottish Government confirmed £1.32m of funding over the following three financial years. In November 2009, in response to representation received from the Museum, Council approved a "one-off grant" of £20,000 to the Museum so that it could meet its obligations pending decisions on alternative grant funding.

3 Current Position

- 3.1** At present NMMS receives annual funding from Scottish Government, but not from Midlothian Council. During 2013/14 financial year NMMS sought further funding from Scottish Government, and was awarded a £75,000 top up from Scottish Government for that year. A further representation from NMMS to Scottish Government highlighted a projected £115,000 deficit in financial year 2014/15. NMMS has also contacted the Council to see if it would be prepared to provide some grant funding to the Museum, and I have had discussion with the Director and members of the Board of NMMS on a few occasions over the past year. I have advised the Director of NMMS of my intention to submit a report to Council.
- 3.2** In discussion with officers at Scottish Government, they advise that in order to assist NMMS, Scottish Government would like, if possible, to deliver to NMMS a joint package with the Council. Provisionally, and presumably subject to Ministerial approval, Scottish Government proposes to increase its annual grant to NMMS by £40,000 to £410,000: and on that basis suggests that the Council provided £40,000 of funding to NMMS. Scottish Government considers that this additional £80,000 should enable NMMS to maintain its sustainability.
- 3.3** Accordingly, assuming Scottish Government confirms its extra funding, I am recommending that the Council provide a two year package of funding to NMMS, comprising £40k in each of the financial years 2014/15 and 2015/16. Following that, the matter could be subject to further review, and particularly in light of the impact of the opening in 2015 of the Borders Rail Line, which the Director of NMMS has identified as a positive factor in helping to secure the longer term financial security of the Museum.
- 3.4** If the Council is minded to agree to such a funding package, it is reasonable that there be appropriate conditions attached, specifically:
- a partnership agreement between NMMS and the Council;
 - voting representation on the Board;
 - clarity as to the intended use of the Council funding; and
 - transparent and open financial reporting arrangements, with appropriate opportunity for scrutiny by the Council.

The primary aim of these conditions would be to ensure that the Council's contributions would have significant direct benefit in promoting key objectives for Midlothian and its communities.

4 Report Implications

4.1 Resource

The financial costs to the Council would total £80,000, comprising £40,000 in each of the financial years 2014/15 and 2015/16. There would be no notable human resource implications.

There is no provision in the budget to meet these costs and therefore the 2014/15 contribution will require approval of a supplementary estimate funded from reserves with the 2015/16 contribution being provided for in that year's budget.

4.2 Risk

If the NMMS does not receive sufficient funding to remain in operation, and has to close Midlothian would lose a major national tourism centre, and Scotland would lose one of its major national museums. In addition to the consequent loss of visitors and tourist income, Midlothian would also lose a centre which has preserved and presented mining heritage related to an industry which has been such an important part of the County's past.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

4.4 Impact on Performance and Outcomes

The continued operation and development of NMMS supports the maintenance of a strong tourism sector in Midlothian as well as providing an education and awareness raising of local and national heritage opportunity for local schools and communities.

4.5 Adopting a Preventative Approach

The provision of funding to fill a shortfall in the finances of NMMS will assist in preventing potential closure of the museum.

4.6 Involving Communities and Other Stakeholders

Not specifically relevant to this report.

4.7 Ensuring Equalities

A screening approach to the assessment of equalities impact notes that the most likely affected minority group which would be affected by closure of NMMS would be children of school age. This potential adverse impact can be reduced or avoided through further funding of NMMS.

4.8 Supporting Sustainable Development

Not directly relevant to this report.

4.9 IT Issues

None.

5 Summary

- 5.1** The National Mining Museum of Scotland has approached both Scottish Government and Midlothian Council for funding to cover a projected shortfall in its finances over the next two years. NMMS considers that once the Borders Rail Line opens in 2015 the Museum will experience an increase in visitor numbers such that it should become financially more sustainable. NMMS preserves and presents an important part of the mining heritage of Midlothian and Scotland. It is a major tourist attraction as well as a well-used education resource. Having regard to these factors, and to the additional funding likely to be provided by Scottish Government, it is reasonable and appropriate to recommend that Midlothian Council provide funding of some £80,000 over two financial years (2014-2016), subject to conditions about the use to which the Council's funding will be put, and the monitoring and scrutiny of that funding to ensure it is directly benefitting communities in Midlothian.

6 Recommendations

- 6.1** It is recommended that Council:

- i) approves a funding contribution of £40,000 to the National Mining Museum of Scotland in each of the financial years 2014/15 and 2015/16;
- ii) approves a supplementing estimate of £40,000 in 2014/15 to meet the funding contribution for 2014/15;
- iii) that release of these funds be conditional upon continuing appropriate levels of funding being provided by Scottish Government, and the Council's Leader and Chief Executive being satisfied that appropriate conditions are agreed with NMMS to ensure proper accountability and scrutiny of the Council's contributions; and
- iv) further reports, as may be required, are submitted to Council.

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Report Contact:

Name Ian Johnson, Head of Communities and Economy Tel No 0131 271 3460
ian.johnson@midlothian.gov.uk

Background Papers: Previous reports to Midlothian Council
 Correspondence between the Council, NMMS and
 Scottish Government