



Cabinet Report

Date **11 MAY 2023**

Title **DINOSAUR ISLE – FUTURE PROVISION**

Report of **CABINET MEMBER FOR CLIMATE CHANGE, ENVIRONMENT
HERITAGE, HUMAN RESOURCES AND LEGAL AND
DEMOCRATIC SERVICES**

EXECUTIVE SUMMARY

1. The collection of fossilised dinosaur bones and other artifacts at Dinosaur Isle is second only in importance to that held by the Natural History Museum (NHM) in London. It has national and international significance and is one of the Island's most important heritage assets. The ownership of something of such significance brings responsibilities. The Eastern Bay Regeneration Vision¹ identifies Dinosaur Isle as a key component in the regeneration of the Bay and is a key part of developing plans to develop the surrounding area into a nature reserve or eco-park with a range of other embedded attractions.
2. A report carried out by Julia Holberry Associates identifies that Dinosaur Isle punches well below its weight in terms of visitor numbers. However, the current poorly resourced and inefficient marketing, and long-term lack of investment in the Museum, and the Covid pandemic, are key factors in a decline in visitor numbers which have resulted in annual losses between 2017/18 and 2021/22 (see paragraph 39).
3. Following a recent stakeholder review process, it has become clear that it is unlikely that there is one organisation that could undertake the two key elements of running Dinosaur Isle successfully. It is proposed that management of Dinosaur Isle and the collection should be broken down into two elements, and that further discussion is had with the National History Museum regarding the management of the dinosaur artifacts collection and academic links, and with the Hampshire Cultural Trust regarding the management of the museum attraction as a commercially operated Trust.

RECOMMENDATIONS

That the Cabinet note the outcome of the Julia Holberry Associates' report in that;

- a) The Dinosaur Isle Museum should remain in Sandown
- b) The council should seek a partner to support the management of the Collection (Academic or and/or Museum Partner)

- c) The council should explore the options for a Trust (with a commercial operation) to operate the Dinosaur Island Museum.
- d) That Cabinet provides delegated authority for the Director of Neighbourhoods, in consultation with the Cabinet member for Climate Change, Environment, Heritage, Human Resources and Legal and Democratic Service, to enter into further negotiations with the Natural History Museum regarding the management of the collection, and the Hampshire Cultural Trust regarding the management of Dinosaur Isle.
- e) That a further report to Cabinet will seek approval for the council to enter any such arrangements following the results of the MEND funding application in December 2023 and that Democratic Services note a further report for the Forward Plan.

BACKGROUND

4. The collection of fossilised dinosaur bones at Dinosaur Isle is second only in importance to that held by the Natural History Museum in London. It has national and international significance and is one of the Island's most important heritage assets. Owning something of such significance brings responsibilities with it.
5. The Council had been actively pursuing a development partner to invest in Dinosaur Isle in order to secure funding for the necessary repairs and maintenance of the premises as well as generate additional income to benefit the management of the collection. A condition survey, carried out in 2016, identified approximately £800,000 of repairs, which has since increased in value to nearer £1million following a survey in January of 2023, with urgent works within the next 2 years identified as £535,000. Dinosaur Isle has also been identified in the council's Regeneration Strategy as an opportunity to kick start investment in this area of the Bay by acting as potential catalyst for adjoining landowners and businesses.
6. Following a soft marketing exercise, engagement and consultation, the council formally determined to undertake a procurement process to identify a development partner in 2018, with a key requirement of maintaining the Museum Accreditation.
7. Unfortunately, for numerous reasons, the procurement exercise failed to reach agreement in 2021 with a development partner for Dinosaur Isle. As a result, the council commissioned Julia Holberry Associates (a nationally recognised museum management consultant) to produce an options report for the future of Dinosaur Isle.
8. Julia Holberry and Steve Green from Julia Holberry Associates (JHA) were appointed to support the council and stakeholders to agree on a future development strategy for Dinosaur Isle, in the summer of 2022. The centrepiece of the methodology was an initial consultation with 20 individual local and other interested stakeholders who were then invited to two workshops in October and November 2022 to discuss the future of Dinosaur Isle and the important fossil collection and to recommend a preferred option.

9. The report produced by JHA, identifies that Dinosaur Isle punches well below its weight in terms of visitor numbers. However, poorly resourced, and inefficient marketing, and long-term lack of investment are key factors in declining visitor numbers. The resulting annual losses have risen significantly between 2017/18 and 2021/22.
10. The Eastern Bay Regeneration Vision¹ identifies Dinosaur Isle as a key component in the regeneration of the Bay area and that it sits at the heart of a proposal to develop the surrounding land as a nature reserve or eco-park with a range of other embedded attractions including the existing Browns site.
11. With additional income from a mobile catering concession, reduction in business rates from April 2023 and an increase in admission prices it is likely that the facility at Dinosaur Isle will break even operationally this year, but that does not consider corporate overhead costs, or the cost of remedial works required for the building.
12. The original catalyst for seeking a development partner to invest in Dinosaur Isle arose from the findings of a condition survey of the building in 2016 and updated in 2018, that identified the significant repairs of over £800,000 of repairs. The council recognised the challenge to identify funding for the necessary repairs and future maintenance of the premises, at the same time, Dinosaur Isle was identified in the Council's Regeneration Strategy as an opportunity to kickstart investment in the Bay area by acting as a potential stimulus for adjoining landowners and businesses.
13. The recent building condition survey carried out in January 2023 has identified a more up to date list of required works with estimated costs. The works identified are estimated costs. Further invasive inspections of the roof are required to understand the full extent of the works required. The works required in Year 1 will be undertaken using existing budgets. It is clear that the priorities for the works which have been identified in Year 2 are;
 - Remedial Works to the steel structure of the building
 - Replacement of all or part of the roof and soffits and facias and its membrane
 - Replacement of the heating system which was removed from parts of the building some time ago.
 - Replacement of the current internal lighting system with more energy efficient fittings.
14. The Arts Council England announced in January of this year that circa £23m for Museum and Estate Development Fund (MEND) Round 3 funding would be made available to allow museums to undertake vital infrastructure and urgent maintenance backlogs. This is very timely for Dinosaur Isle. The council was actively encouraged to submit a bid and it was been agreed that for this Round 3, we should submit a bid for Dinosaur Isle. There is also a need to identify match funding from the council of at least 5% of the bid value.
15. Expressions of interest for this funding round were submitted by 21 April 2023 with a final submission, if successful in the expression of interest round, to be submitted in August 2023. This provides an opportunity to firm up the costings in more details for the works required.

16. At the first consultation workshop, stakeholders began to craft their vision for Dinosaur Isle. The majority of those present identified the wish for the Isle of Wight to be seen as the dinosaur capital of the UK and for its globally significant collections to be celebrated, invested in and preserved, inspiring people to learn, discover and enjoy dinosaurs, fossils and the Island's natural heritage. Stakeholders want Dinosaur Isle to become a sustainable visitor attraction, with high standards of curatorial care, underpinned by research and collaboration with national and international partners.
17. The critical success factors for Dinosaur Isle were developed in break out groups through workshops to score the suitability of the different governance options:
- **Strategic/economic** – driving the local visitor economy; delivering environmental, tourism, wellbeing and educational policies; a strong brand and international links.
 - **Collections and research** – securing the future of the collections; increasing access to the collections; promoting public awareness; an international resource and an evolving and growing resource.
 - **Financial/commercial** – need for financial viability; viable business model; diverse income streams; strong leadership; opportunities for an indoor and outdoor attraction; an attraction for children and external finance for development.
 - **Audiences** – appealing to tourists; residents; schools; researchers, academics, enthusiasts; coach groups; conferences and businesses.
 - **Location** – proximity to people; proximity to fossils; space for parking; room to grow and integration into local context.
 - **Management and governance** – stability; forward planning; expertise in collections and commercial; strategic partnerships; audience focused; strategic leadership; maintaining museum Accreditation and having a social/community focus.
18. The selection of the governance options also took account of the following key considerations and constraints:
- **The collection.** In any transfer of museum assets from local government to another body, it is essential for the collection to remain in public ownership. This is important in maintaining accredited status.
 - **The building.** A structural survey is required for the Dinosaur Isle building, and it is almost certain that this will identify that it is in need of considerable financial investment. If the decision is taken to remain at Sandown on the current site, any transfer of assets would be predicated on a full and independent structural and condition survey.
 - **The site.** The boundaries of the current site are constrained and although there is some space for expansion, there is not room for development of an extensive external area. The site is also in a flood risk area which will be mitigated by the Environmental Agency's plans to remodel the sea wall at Culver Parade.

- **Council support.** If the Museum is transferred to a trust, it will still require a number of years revenue support and similar museums, depending on the terms of the lease, trusts are often also given a golden capital handshake in recognition of future building maintenance costs.
- **Strategic context.** There are several wider strategic initiatives that Dinosaur Isle will need to operate within, including the Eastern Bay Regeneration Vision, the Biosphere, aspirations for an eco-park and the emerging Island Cultural Strategy.
- **Location.** The current location has many strengths, including proximity to large numbers of visitors, fossils (on the beach at Yaverland) and public transport (bus and rail). The group concluded that there was an irreplaceable value of the site of the museum in Sandown as a key coastal site for the fossil finds, and the economic value to Sandown of the museum facility.
- **An audit** has also taken place of council-owned land across the Island and concluded that there are no suitable alternative locations for the Museum and the collection. The stakeholder workshops also recognised the lack of a suitable alternative site.

19. During the consultation period six future governance options were considered:

- **Status quo.** A do-nothing option – the museum and collection remain wholly managed by the council
- **Continued operation of Dinosaur Isle by the Isle of Wight Council with investment** from external funders, such as the National Lottery Heritage Fund
- **Transfer of Dinosaur Isle to a trust with a wholly owned trading company.** Transfer to a new or existing trust where the trust owns the trading company.
- **Transfer to a trust which contracts an operating company.** Where the trust contracts a commercial operator to run the attraction and generate income and they share the profit.
- **A trust works in tandem with an operating company to deliver different aspects of the operation** Where the commercial company is independent of the trust and works in parallel to it. The commercial company runs the attraction and the trust the collections.
- **Dinosaur Isle Museum is sold to a private operator.**

20. In all of the above scenarios, it was assumed **that ownership of the collection would remain with the Isle of Wight Council to protect the collections and Accreditation status.** Apart from option 6, it would be possible to add a partnership with an academic institution to any of the options - for example the Universities of Portsmouth and/or Southampton, and/or the Natural History Museum. At the first workshop in October 2022, stakeholders clearly discounted options 1 and 6. (Status Quo and Selling Dinosaur Isle).

21. Whilst identifying that it would technically be possible to sell Dinosaur Isle, because it is an Accredited Museum, and the collection is so significant, selling the collection would not be practical or desirable. In the event that the museum attraction is sold,

some provision would need to be made for continued storage and care of the collection. There would need to be an agreement with any new commercial owner as to what, if any, of the collection could remain on display. This could have a negative impact on market interest and could lead to continued expenditure by the council for storage provision.

22. At the second workshop in November, stakeholders considered three basic scenarios against the agreed priorities which would help determine the future direction of Dinosaur Isle:

- Should Dinosaur Isle remain at Sandown or move?
 - Should Dinosaur Isle remain with the Council or move to be a trust?
 - If a trust is recommended, what type of trust should it be?
- ☐ Trust with a trading company
 - ☐ Trust with a trading company and academic partner
 - ☐ Trust with a trading company and commercial partner.

23. The choices were kept deliberately simple to test whether people favoured a simple trust, a slightly more complex trust with an academic partner, or whether the feeling was for a more commercial venture. The scores below reflect the percentage of the success criteria that the particular scenario fulfilled.

• Question	• Score
• Stay at Sandown	• 92.5%
• Move elsewhere on the Island	• 56.6%
• Remain with the Council	• 45.9%
• Become a trust	• 74.6%
• Become a trust and trading company	• 34%
• Become a trust with an academic partner	• 30.5%
• Become a trust with a commercial partner	• 23.5%

24. The group recommended that Dinosaur Isle should remain at Sandown, by a big margin. Remaining at Sandown fulfilled 92.5% of the success criteria.

25. The group recommended that Dinosaur Isle should move to becoming a trust, also by a big margin. Transfer to a trust fulfilled 74.6% of the success criteria.

26. The type of trust provoked a more complicated discussion, but a commercial trust for the museum and with an academic partner in respect of the collection was favoured above a more commercial approach due to the issues raised in paragraph 21 above, which were perceived to be serious and real risks.

27. Throughout this review process it has become clear that there is not one organisation that could undertake the two key elements of running Dinosaur Isle

successfully and that the management of Dinosaur Isle is best broken down into two Elements.

(a) Management of the Collection (Academic Partner)

(b) Management of the facility as a Trust (Commercial Operation).

28. **Management of the Collection:** As stated at the beginning of this report the collection held at Dinosaur Isle is second only in importance to that held by the Natural History Museum in London. A representative of the Natural History Museum (NHM) attended the first stakeholders event held in October 2022. In further conversations with NHM they have been consistent in their view that NHM, are not interested in managing the commercial aspects of Dinosaur Isle, but could see the joint benefits from managing and/or supporting the collection. Furthermore, the sharing of information, collection material and technical support would be of a benefit for both parties. The Director of Neighbourhoods, met representatives of the Natural History Museum, on 14th April 2023, to understand the mutual benefits from this arrangement. Following this positive first meeting it was agreed that further conversations would take place to formulate a joint working agreement under a Memorandum of Understanding that will benefit both parties.

29. **Management of the facility as a Trust (Commercial Operation):** the management of the museum as a visitor attraction is critical in the sustainability of this site and to support the safeguarding of the collection. During the workshops facilitated by Julia Holberry, it highlighted the need for an experienced partner to run this facility on behalf of the Council. Initial conversations with the Hampshire Cultural Trust (HCT) have indicated that their skills and expertise as well as economies of scale could potentially form an effective partnership to enhance the commercial offer. This also includes joint marketing and promotional activities. Further to recent discussions it is also apparent that Dinosaur Isle is only part of the cultural options that should be considered. HCT was originally formed out of Hampshire County Councils Museums and Culture Service, and they currently manage Museums and Cultural venues for Hampshire County Council and Winchester City Council under a Management Funding Agreement. They have also just been given National Portfolio Organisation status which in itself brings in significant finance and support from the Arts Councils.

30. The preferred option arising from the consultation process is to enter further exploratory discussions with HCT as a Strategic Partner Organisation with a remit to provide an overarching strategic cultural offer for the Island with an initial focus on the commercial offer of Dinosaur Isle.

31. Developing a vision for the Yaverland site including Dinosaur Isle and the preservation of the Browns site will be an important aspect of this proposed arrangement and could also provide for a wealth of experience in managing a catering facility which would serve both the Golf Course and the Museum as well as indoor and outdoor attractions. HCT have indicated that they would also be interested in becoming involved in developing the vision site that could include also include the Browns site, the lease of which is currently open for expressions of interest, as well as working in partnership with neighbouring operators such as the Wildheart Trust and ARC in terms of developing ideas around the Biosphere agenda.

32. **Place Plan:** In addition the Regeneration Directorate at the IWC have commissioned a place plan for Shanklin, Sandown and Lake. A contractor will be appointed to create a place plan with the following timetable

- Contractor appointed in March 2023
- Data gathering exercise between March and end of May
- Report Back in June
- Place plan to be agreed within 6 months

33. Following an initial stakeholder meeting in February of this year a draft outline statement was produced by interested parties to form the start of a place plan for the Dinosaur Isle and Browns sites. Further inclusive stakeholder meetings will be arranged to facilitate a Yaverland masterplan which will support the wider work on the creation of the Sandown Place Plan. The current draft elements of the plan in respect of Browns, Dinosaur Isle and the immediately surrounding area are set out in the working document attached as Appendix 1.

34. The role of the overall place plan will be to link up all projects in the area including existing activities such as the future of Dinosaur Isle, a Conservation Plan for the Yaverland site, and to influence the direction of all elements of the site, ensuring that all interested parties have an input into this process.

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

35. One of the councils' values is being effective and efficient. By changing the way in which we operate Dinosaur Isle we are aiming to achieve both of these. Utilising a partner such as NHM with a strong reputation to support the management of the collection will bring with it efficiencies and opportunities in managing the collection. Furthermore, utilising an experienced partner such as HCT that operates across Hampshire will bring an effective and efficient management of the commercial operation, which will assist the council in generating income and making the facility financially sustainable.

36. These proposals support the council's Climate Change and Biosphere objectives in enhancing the environmental and cultural benefits of the Dinosaur Isle Museum the collection and the positive contribution made to the Bay area.

Outline Timescales

37. The key to the future of Dinosaur Isle is the MEND funding bid. The current timetable for MEND funding is that:

- a) Expressions of interest were submitted on 19th April 2023
- b) Final bid submission August 2023
- c) Notification of award December 2023
- d) Funding available from 2024/25

38. This process therefore gives us a window for negotiations to take place between April and December 2023. Due to the capital sums outlined, it would be difficult for a partner organisation to sign up to any commercial and or inter authority partnership agreement before the outcome of the MEND funding is known.

39. It is therefore proposed to seek further Cabinet approval for the preferred partnership delivery options following the outcome of the MEND funding application.

CONSULTATION

40. The report by Julia Holberry Associates involved two key consultation meetings held at Dinosaur Isle in October and November 2022. In addition, JHA also met, on an individual basis, a number of key stakeholders to understand their views or the views of the organisations that they represented. As identified within the body of the report, the outcomes of the consultation have been taken into account when forming the Cabinet recommendations to take account of the views of key stakeholders from the following organisations;

Cabinet Members IOWC
Local Ward Members, IOWC
Town Councillors, Sandown, Shanklin and Lake Town Councils
Officers from Sandown Town Council
Officers from IOWC including Dinosaur Isle Museum staff

Natural History Museum
Isle of Wight Natural History and Archaeological Society
University of Exeter / Southampton
Brand development, Retail Mentor, Business Consultant
Isle of Wight Palaeontological Trust, Friends of Dinosaur Isle
University of Portsmouth
Visit Isle of Wight
The Island Collection
Hampshire Cultural Trust
Portsmouth Museums
Venture South

FINANCIAL / BUDGET IMPLICATIONS

41. The council's aim is that for the financial year 24/25 Dinosaur Isle operationally breaks even. In previous years there have been some operational losses:

Year	Loss	Comments
22/23	£53,599	Current forecast
21/22	£33,541	
20/21	£208,905	Covid related
19/20	£56,233	Part Covid Related
18/19	£40,043	
17/18	£25,381	

42. The council has submitted an expression of interest within a MEND funding application for £485,000 to carry out works to the building as identified within the condition survey. As a condition of the MEND fund, the council contribution would be 5% or £60,000 which has been identified from within existing capital budgets.
43. As indicated above, if the MEND funding bid is unsuccessful, the council will need to consider alternative options to the management of the museum and collection including funding options to cover the building repairs from 2024/25.

LEGAL IMPLICATIONS

44. Currently there are no Legal implications within this report. But if approved and as discussions progress with both an academic and commercial/ partnership trust organisation it is essential that the legal implications are considered, including any legal agreements, memorandums of understanding, before this item returns to cabinet for a decision.
45. As the discussions continue there will need to be involvement with the Procurement team to ensure that any ongoing agreements are sustainable and legally practicable. As discussions progress with prospective partners, it is important that we consider whether there are any procurement implications that would require us to consider if a formal procurement exercise is required with other suppliers. It is unlikely that this applies to a partnership arrangement with NHM.

EQUALITY AND DIVERSITY

46. Any equality and diversity implications will be identified in a further report to cabinet.

PROPERTY IMPLICATIONS

47. Property Services have obtained the three relevant building condition surveys of 2016, 2018 and the more relevant survey carried out in 2023 and are happy with the content of these findings.
48. The financial implications of these findings are detailed in the body of the report.

OPTIONS

49. All of the options considered for the management of the collection and the commercial operation of the museum are contained within the body of the report.

RISK MANAGEMENT

50. The biggest risk associated is the failure to secure the MEND funding of up to £485,000. Should MEND funding not be available then there are a few alternative options to consider.
- a) continue to enter into negotiations with external partners. HCT have indicated that they could not consider a partnership unless a plan was developed by the council to resolve the building repair issues, which would likely be required over a much longer period than that envisaged as a result of the MEND funding.
 - b) HCT have indicated a willingness to support the council in seeking to obtain alternative funding or investment from the partner organisations contacts i.e. Heritage Lottery fund
 - c) The Isle of Wight council would need to consider funding the £530,000 needed for urgent repairs over an acceptable revised timescale to safeguard the future of the museum and the collection.
51. This report seeks approval to explore options for the management of the collection and the commercial management and operation of the museum. We would intend

to deal with the procurement considerations as the work progresses and run a compliant process if it is deemed necessary.

APPENDICES ATTACHED

Appendix 1 – Current draft elements of Plan – working document

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