

perago●



Llancaiach Fawr

Outline Business Case summary
10 July 2024

Decision Required



Agree a consultation/engagement plan and timescales for the proposal to stop services provided by Llancaiach Fawr Manor and mothball the venue.

Agree to stop any new service requests as of immediate effect.

What we achieved during the discovery stage:

- The discovery phase identified several options in relation to Llancaiach Fawr to consider.
- The steer was to focus on operating at a cost neutral for the council which could mean removal of the subsidy and looking to operate as an alternative delivery model.

What we plan to deliver as part of the define stage:

- Further test the option to operate at a cost neutral and to agree a consultation engagement plan on the future of Llancaiach Fawr that considers a notice period to service users.



Strategic Case



Investment Objectives



	Investment Objectives	Strategic Benefits
1	<p>Prevent further expenditure on the subsidy of Llancaiach Fawr Manor, to operate at cost neutral for the council.</p> <p>This could include disposal of the asset i.e. to an alternative provider, if possible, for the service, or full sale of asset.</p>	<p>£485k saving per annum Up to an estimated £1.7m Net Present Value modelled over 5 years.</p> <p>Cultural asset maintained</p>
2	<p>Recruitment of agent. Following consultation, if the decision is to stop the subsidy for Llancaiach Fawr Manor, a consultant will be onboarded to support finding new opportunities to run the venue at an estimated cost circa £30k.</p>	<p>Maximum reach to potential market will be achieved to attract investment opportunities.</p>

Existing Arrangements and Business Needs



Llancaiach Fawr Manor

One of three tourism destinations in a portfolio managed by the Visitor Economy & Destinations Manager

Llancaiach Fawr Manor and visitor centre is a place for all occasions. The historical Manor House has been restored and furnished as it would have been in 1645.

It caters for tours, events, weddings and restaurant services.

In 2024-25, the total budget subsidy is £485K.

There are currently 20 members of staff which are either full time or part time posts and 18 are casual.

Scope and Service Requirements



<p>Business Scope</p> <p>Llancaiach Fawr Manor and visitor centre is a place for all occasions. The historical Manor House has been restored and furnished as it would have been in 1645.</p> <p>It caters for tours, events, weddings and restaurant services.</p> <p>It is a non-statutory service.</p>		<p>Out of Scope</p> <p>All is in scope</p>	
<p>Service Requirements</p>			
<p>Core</p>	<p>Desirable</p>		<p>Optional</p>
<p>Agree a consultation/engagement plan and timescales for the proposal to stop services provided by Llancaiach Fawr Manor and mothball the venue.</p> <p>Agree to stop any new service requests as of immediate effect.</p> <p>To operate at a cost neutrality and to contribute to the councils needs of savings £65m in 3 years.</p>	<p>Onboard marketing agent / business development consultant to maximise exposure to alternate providers.</p>		<p>N/A</p>

Key Risks, Constraints and Dependencies



Risks	Constraints	Dependencies
<p>Timing</p> <ul style="list-style-type: none"> • Commitment to meet Year 1 savings • Consultation <p>Service Users</p> <ul style="list-style-type: none"> • Existing ticket sales and bookings reimbursed <p>Authority</p> <ul style="list-style-type: none"> • Clawback – grants / funding received • Reputational damage – ceasing a service known to Caerphilly • Customer base is growing – i.e. bookings continuing to be made <p>Staff</p> <ul style="list-style-type: none"> • Potential job losses • Staff morale - potential increase in staff sickness, making it difficult for service delivery following consultation period • Mis-communication or timing of consultation of proposal <p>Constraints / Dependencies</p> <ul style="list-style-type: none"> • Staff options • Legal obligations • Overall timescales • TU discussions • Support from internal services – Communications / Engagement / HR / Finance – to provide accurate information to inform decisions to go to next stage • HR policies and support to all affected staff • Any other support provisions considered must be cost neutral 	<ul style="list-style-type: none"> • Agreement and planned Communication/Engagement plan. • Accuracy of financial data. • Factoring in security of building • Factoring in the de-commissioning of equipment • Staff costs in relation to redundancies • Dependencies across services, catering, tours, events. • HR support to all staff affected. • Any other provisions considered must be cost neutral – inc. contract management • Llancaiach Fawr Manor is still open so could be impacted by changes in visitor numbers. 	<ul style="list-style-type: none"> • Staff options • Legal obligations • Overall timescales • TU discussions • Support from internal services – Communications / Engagement / HR / Finance – to provide accurate information to inform decisions to go to next stage • HR policies and support to all affected staff • Any other support provisions considered must be cost neutral



Economic Case

Options appraisal



Annual combined cost to CCBC of **£485k** (based on forecasted budget for 2024/25) – which has considered estimates for inflation.

Outline Business Case – Options considered

1. Consult July 24 on a Seamless transition to alternative delivery model
2. Consult July 24 – Mothball end of October 24
3. Consult July 24 - Mothball end of December 24 and staff exit next financial year
4. Consult July 24 – Mothball end of December 24 and staff exit this financial year
5. Consult Nov 24 as part of Budget – Mothball end of March 25

Options appraisal



Option 1 - Seamless transition

- Seeking to achieve disposal of asset to alternative delivery provider (private sector)
- Requires appointment of agents to expose venue to correct target audience (circa £30k and no funding currently approved)
- Process estimated to take us into early part of next financial year - Staff to be consulted in July but opportunities for TUPE if new provider delivers comparable service
- Risk of grant clawback minimised. Risk of cancellations minimised.

Option 4 - Notice of closure July - actual closure end of December (staff exit this financial year)

- Need to mothball from 31st December
- Still looking to market site to alternative delivery provider – so appointment of agents still required
- Staff could be served notice Oct
- Risk of grant clawback. Cancellation payments for weddings etc required but reduced (summer weddings next year)

Option 2 - Notice of closure July - actual closure end of October

- Need to mothball from 30 October
- Still looking to market site to alternative delivery provider – so appointment of agents still required
- Staff could be served notice at end of July
- Risk is that a closed venue is less attractive for marketing. Risk of grant clawback very real. Cancellation payments for weddings may be required

Option 5 - Linked to Budget consultation, Closure end of March

- Consultation in line with Budget Report in January
- Still looking to market site to alternative delivery provider – so appointment of agents still required but delayed until February
- Staff to be consulted as part of budget consultation. Staff could be put on notice of redundancy in January 25
- Risk of grant clawback. Cancellation payments for weddings etc required but reduced (summer weddings next year)

Option 3 - Notice of closure July - actual closure end of December (staff exit next financial year)

- Need to mothball from 31st December
- Still looking to market site to alternative delivery provider – so appointment of agents still required
- Staff could be served notice Oct
- Risk of grant clawback. Cancellation payments for weddings etc required but reduced (summer weddings next year)



Commercial Case

● Procurement Strategy and Required Services



No procurement requirement identified; however, a review of existing commercial arrangements has been included as part of the Outline Business Case review.



Finance Case

Financial case – Llancaiach Fawr Manor

Reflecting grant update



Option	NPV 2024/25 to 2029/30	Benefits: Cost ratio	MTC Savings Target 2024/25	MTC Saving 2025/26	MTC Saving 2026/27	MTC Saving 2027/28	Total Budget Savings (Excluding One off Costs)	One off costs
1. Consult July 24 Seamless alternative delivery model	(£1,751,834)	6.46	£0	(£363,750)	(£121,250)	£0	(£485,000)	£320,817
2. Consult July 24 Mothball end of October 24	(£1,237,563)	2.38	£0	(£453,849)	(£31,151)	£0	(£485,000)	£922,140
3. Consult July 24 Mothball end of December 24 <small>(staff exit next financial year)</small>	(£1,156,357)	2.36	£0	(£343,416)	(£141,584)	£0	(£485,000)	£906,463
4. Consult July 24 Mothball end of December 24 <small>(staff exit this financial year)</small>	(£1,243,273)	2.44	£0	(£444,949)	(£40,052)	£0	(£485,000)	£907,830
5. Consult Nov 24 as part of Budget Mothball end of March 25	(£1,083,247)	2.34	£0	(£178,507)	(£306,493)	£0	(£485,000)	£820,240



Management Case



Governance Arrangements

Change approvals process managed by the Portfolio Management Office



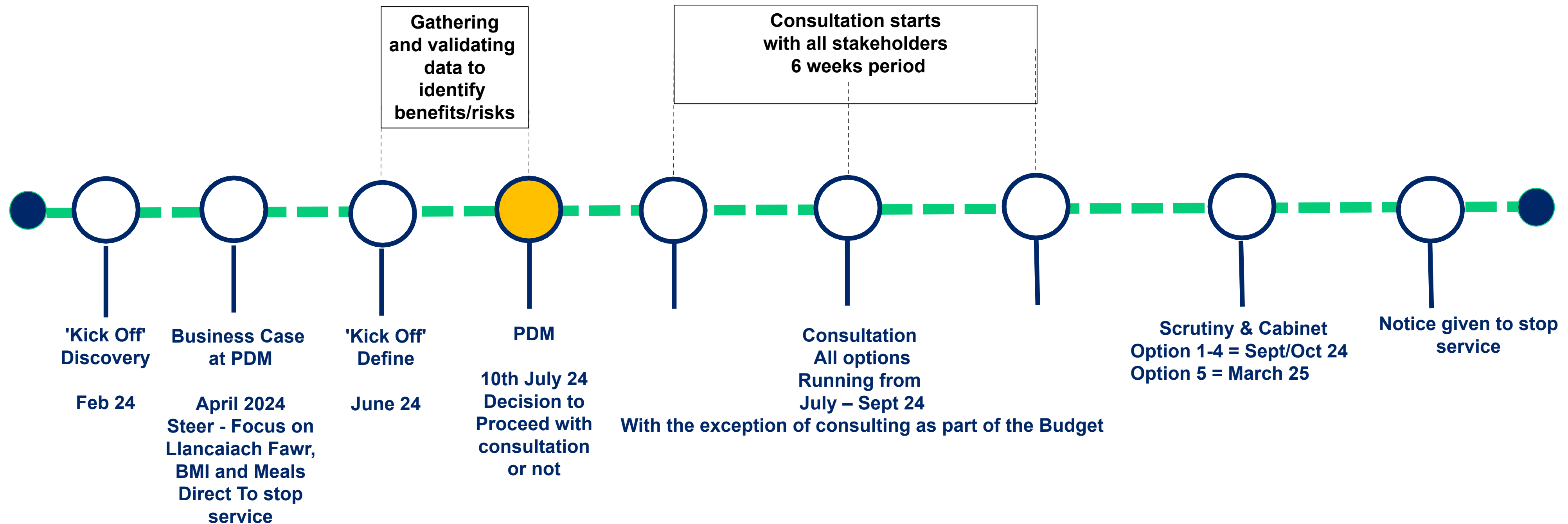
Name and Role	Responsibilities
Allan Dallimore Project Sponsor	<ul style="list-style-type: none"> • Champions the change and maintains awareness at senior level • Ensuring return on investment and Value for Money • Owns the Business Case - sole accountability • Accountable for the delivery of planned benefits • Lead change management required to deliver successful outcomes • Delegates responsibility to Service Manager where applicable
Tim Daley MTC Programme Manager	<ul style="list-style-type: none"> • Leads and manages stakeholder engagement • Manages expectations and providing regular updates on the progress • Oversees the execution of the workstream plan ensuring delivery is on time, within budget, and to the required quality standards
Temp Replacement Service Manager (previously Eloise Tong)	<ul style="list-style-type: none"> • Provides leadership and direction on all aspects of the service development and held accountable to SRO • Oversee service redesign and subsequent operational delivery • Monitors and reports on progress and be empowered to deliver on all aspects
Antony Bolter / Paul Hudson Project Lead	<ul style="list-style-type: none"> • Co-ordinates workstream - responsible for delivery and progress whilst managing and escalating associated impacts and risks
Paula Beaman Finance Lead	<ul style="list-style-type: none"> • Responsible for tracking financial and other benefits relating to the project
Lisa Downey HR Lead	<ul style="list-style-type: none"> • Lead contact for any staffing changes/reductions
Hayley Lancaster / Sarena Ford Engagement/Communication Leads	<ul style="list-style-type: none"> • Lead contact for communication, engagement and consultation for the project
Hayley Clarke Procurement Lead	<ul style="list-style-type: none"> • Lead contact for procurement

Project Roadmap



Feb 24

April 25



Project Controls



Include a summary of the key project controls. These typically include:

- Change management arrangements - Lead by the PMO and Service transformation
- Benefits realisation arrangements - Lead by the PMO and Finance
- Risk management arrangements - Lead by the PMO as the escalation route but defined by project lead and sponsor
- Post-implementation and evaluation arrangements - Lead by PMO and Finance
- Contingency arrangements and plans - Monitored by the PMO with input from project lead, sponsor and service area