

MAIDSTONE BOROUGH COUNCIL

AUDIT COMMITTEE

17 JANUARY 2011

REPORT OF THE ASSISTANT DIRECTOR OF REGENERATION & CULTURAL SERVICES

Report prepared by Simon Lace

1. MAIDSTONE MUSEUM EAST WING REDEVELOPMENT

1.1 Issue for Decision

1.1.1 To consider the current position regarding the redevelopment of the East Wing of Maidstone Museum.

1.2 Recommendation of the Assistant Director of Regeneration and Cultural Services

1.2.1 That the current position relating to the East Wing redevelopment is noted.

1.3 Reasons for Recommendation

1.3.1 The Museum's East Wing redevelopment is on target to deliver all of the stated outcomes. It provides excellent value for money and demonstrates the economic regeneration potential of the built heritage.

1.3.2 The East Wing redevelopment project represents excellent value for money for the Council. Almost 60% of the total project cost of £3.7million has so far been secured from external sources. This has allowed the Council to embark on the most significant raft of improvements to Maidstone's most important cultural resource in over a century. The range of new facilities on offer include:-

- 40% more display space in the East Wing,
- meeting rooms able to attract community groups and local businesses,
- flexible education spaces offering better facilities for visiting school parties and out of school events,

- two new upgraded temporary exhibition spaces allowing the range of exhibitions to be expanded and improved,
- a pedestrian lift providing access to the first floor,
- a new shop,
- a new location for the provision of visitor information,
- accessible toilets for wheelchair users,
- new, large public toilets,
- baby-changing,
- a cloakroom and a buggy store,
- importantly, new facilities on offer include modern storage for the museum's collections which guarantees their future preservation and provides more opportunities to exploit the collections for public programmes of exhibitions, publications and education and also for commercial use adding to the museum's sustainability.

1.3.3 The sustainability of the museum will be improved in other ways. A bigger and better located shop and dedicated meeting and education spaces will generate more income. Based on a 50% projected increase in visitor numbers retail, catering, room hire and education services are expected to provide an additional income of £50,000 in the first full year of operation.

Improved temporary exhibition spaces will enable more ambitious public programming. The success of the BBC Walking with Dinosaurs exhibition which, in 2006 attracted over 30,000 in-person visits in just nine weeks, demonstrates the potential of popular exhibitions. Merchandising and admission charges for such exhibitions present the opportunity to develop useful income streams.

Green technologies such as geo-thermal heating and photovoltaic cells will help reduce running costs by providing free, clean energy. Relocating the shop allows the current café to be upgraded and offers greater potential for seeking a partnership arrangement or franchise for its future operation.

1.3.4 Project management of the East Wing is being undertaken by the Council's Client Architect with the Museums & Heritage Manager in the role of Client. The design team consists of architects from Hugh Broughton Architects, engineers from AECOM and quantity surveyors from GB Fitzsimon LLB. Representatives of the design team meet monthly with the Client and Project Manager and other Council officers

to form the Project Board. The design team, Client and Project Manager also meet every two weeks with the main contractor Morgan Sindall and selected sub-contractors.

1.3.5 The East Wing is still on target to be opened to the public in the summer/autumn of 2011. The contractor has issued an Extension of Time notice recording a 13 week delay in the construction programme. The contractor's anticipated target completion date is 8th July 2011. The delay has been caused by the late procurement of the steel, poor weather and inaccurate survey data which has meant that some recent construction work has had to be redone. The contractor and design team are discussing mitigation to reduce the overall delay. A phased opening of the East Wing is planned with the income generating elements on the ground floor being ready for the start of the summer holidays at the end of July.

1.3.6 The Project is within budget. Value engineering has been undertaken to reduce the project costs. The level of contingency was set at £236,000; to date £96,000 has been expended mainly on fundraising and collection storage and transportation cost. The level of unexpended contingency is currently £142,000. The programme delay will have an impact on costs though the Council will be seeking to recover all of the additional money once the full cost implications are clear.

1.3.7 To date £2,573,400 has been secured either in cash donations or in pledges of financial support. This includes £1,999,000 from the Heritage Lottery Fund and £400,000 already committed by the Council. The total budget for the project is £3,709,000. The match-funding gap is therefore £1,135,600. A list of the major donations is given in the table below.

	Received/Pledged
Heritage Lottery Fund	£1,999,000
Kent County Council	£100,000
Kent Police	£500
Astor of Hever Trust	£500
Betteshanger Trust	£500
D'Oly Carte Trust	£4,200
Godington Trust	£2,500
Rothermere Foundation	£1,000
Thriplow Trust	£5,000
HR Pratt Boorman Foundation	£5,000

Cobtree Trust	£10,000
EDF	£30,000
Rochester Bridge Trust	£7,000
SGR Charitable Trust	£1,000
Coutts Trust	£700
Others	£6,500
	£2,173,400

1.3.8 The Council's Community Fundraising Officer is now working with the Museum's team to assist with the fundraising programme. His primary objective is to secure grant aid from a number of major grant-making trusts. Applications to these trusts will be made before April 2011. See appendix.

1.3.9 In November 2010 the Heritage Lottery Fund issued new guidelines on match-funding announcing that it can now fund up to 90% of the cost of a project. Although this applies only to new projects HLF has indicated its willingness to consider a substantial increase in the original grant of £1,999,000 made in 2009. The Fund may regard the Council's application for further funding as a test case to be considered in the light of their new funding guidelines and the continuing economic crisis.

1.3.10 Helpful advice has been received from HLF officials who have two primary concerns; why we are seeking additional funding from them now when in the past we have agreed to underwrite the cost of the project; and what will happen to the project if HLF do not provide additional funding? An application addressing these, and other issues, is being prepared for submission in mid-January for considered by HLF in March.

1.3.11 As the Council's application will be considered as part of a competitive process alongside requests for new grants its success is far from certain. Any additional funding would be contingent on the Council guaranteeing to close the funding gap.

1.3.12 The public funding campaign will be launched in February with a range of activities designed to promote the project and to offer opportunities for the general public to donate to the scheme in return for a lasting acknowledgement.

1.4 Alternative Action and why not Recommended

1.4.1 The Committee is not asked to consider an alternative course of action.

1.5 Impact on Corporate Objectives

1.5.1 The work to redevelop the Museum’s East Wing supports the corporate objective that Maidstone is a decent place to live.

1.6 Risk Management

Risk	Likelihood	Impact	Mitigation Measures
Failure to secure full match-funding from external sources	A	2	Ensure fundraising programme continues and is adequately resourced.
Programme delays increase cost	C	2	Ensure proper scrutiny of programme and ensure deadlines are realistic.

Likelihood: A=very high; B=high; C=significant; D=Low; E=very low.
 Impact: 1 = catastrophic; 2 = critical; 3 = marginal; 4 = negligible.

1.7 Other Implications

1.7.1

1. Financial	X
2. Staffing	
3. Legal	
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

1.7.2 Financial - Failure to achieve the match-funding target has implications for the Council in terms of funding the remaining cost of the project and for funding of the rest of the current capital programme.

1.8 Relevant Documents

1.8.1 Appendices

1.8.2 Planned Museum East Wing Fundraising Activity 2011.

1.8.3 Background Documents

1.8.4 None.

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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