

Subject:	The Whitaker Progress Update and Heritage Fund Uplift	Status:	For Publication		
Report to:	Cabinet	Date:	1 st December 2020		
Report of:	Whitaker National Lottery Heritage Fund Project Manager	Portfolio Holder:	Leader of the Council and Portfolio Holder for Economic Development		
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
Equality Impact Assessment:		Required:	No	Attached:	No
Biodiversity Impact Assessment		Required:	No	Attached:	No
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- 1. RECOMMENDATIONS**
- 1.1. **To note the project progress and National Lottery Heritage Fund uplift grant application.**
 - 1.2. **To authorise the Director of Economic Development in consultation with the Head of Legal (Monitoring Officer), Head of Finance and Portfolio Holder to enter into a grant funding agreement for the extra Heritage Fund uplift of c. £250k.**

2. PURPOSE OF REPORT

2.1 For Cabinet to review the current progress and position with regards the Whitaker project; to note the request for an uplift in funds from the National Lottery Heritage Fund of c. £250k and authorise if successful.

3. BACKGROUND

3.1 In July 2018 a report was presented to and approved by Council with the following recommendations:

- 1. Subject to receiving Heritage Lottery Fund (HLF) approval: Members to delegate authority to the Monitoring Officer in consultation with the Portfolio Holder and Director of Economic Development to enter into a grant funding agreement with HLF as detailed in this report.
- 2. Subject to receiving HLF approval: To approve £189,950 of match funding from the employment and transport reserve to support the implementation of the Whitaker HLF project delivery phase.
- 3. Subject to receiving HLF approval: To approve the creation of a Whitaker HLF Project Officer role (grade 6) on a fixed term contract for the length of the delivery phase.
- 4. For Members to approve the RBC transitional and long term financial arrangements outlined in this report.
- 5. For Members to approve the Council entering into a 25 year lease arrangement, such terms to be delegated to Director of Economic Development and Portfolio Holder.

In July 2019 £1,709,500 was confirmed to be awarded by the National Lottery Heritage Fund towards the Whitaker project. The Council's match funding contribution of £189,950

brought the cash total of the project to £1,899,450. In addition, non-cash contributions and volunteer time of £112k saw a total project value of £2,011,450.

The project has six approved purposes which form part of the contractual agreement with the Heritage Fund to:

- appoint four Part-Time posts of: Heritage Programme Manager; Heritage & Activity Coordinator; Community Development & Volunteer Coordinator; and Project Manager
- refurbish the existing museum and redevelop the barn/stables building and courtyard area to create a new multi-use space via a new-build glazed and timber entrance lobby extension to link with and physically extend the museum
- reimagine/refurbish existing galleries and further refine content for new interpretation and co-curated exhibition space, utilising digital technology where appropriate, reflecting the themes of Nature, Society and Creativity
- create a new shop and expanded eatery/bar offer
- involve 30 volunteers and provide training opportunities for 100 people including placements through Blackburn College
- deliver a programme of ten strands of activity and events as presented in the submitted Activity Plan.

Following the main contract tender stage and the return of tenders, a thorough value engineering process took place with the preferred contractor to ensure an affordable scheme, within approved funding parameters.

In order to get the budget within scope, an extensive value engineering exercise was undertaken before the project could proceed. Encouragement was given to the Whitaker and Rossendale Council to explore additional funds to supplement the Heritage Fund grant.

A small contingency was written into the contract in relation to Covid-19 delays, however at that time, no one was aware of the full implications of the Covid pandemic and the implications that this would have for additional fundraising and sponsorship opportunities.

During the value engineering process, a number of elements were removed from the scheme, with some assigned as areas to be fundraised for by the Whitaker CIC including aspects such as blinds and landscaping. Pre-existing elements of the scheme were already to be undertaken by the Whitaker such as an under 5s targeted “Explore” room and café furniture. However, with the loss of income generation following the full closure of the museum from mid-March due to the Covid-19 pandemic, anticipated income was lost. This coupled with a significant extension of the closure period from what had been anticipated to be 2 months, to what will likely be 13 months minimum, has greatly impacted the Whitaker’s income streams. With the Covid-19 pandemic and both the inappropriateness of approaching local businesses for sponsorship and the closure or reallocation of grant schemes to emergency funds, this has restricted the opportunities and vastly increased the competition faced by the Whitaker to raise grant funding.

The Whitaker have submitted a small number of applications to enhance the museum offer and to replace elements that were unable to be funded by the museum themselves. This

includes the “Explore” room, café furniture and renovations to out-buildings. An application to the Arts Council England Cultural Recovery Fund has now been secured by the museum. This will bring in c. £155k additional income to the Whitaker CIC. Further applications have also been made to grant bodies, the outcome of which is pending.

Given the challenges of the year, the Heritage Fund have recognised the strain that projects are under and has created the opportunity for live projects to access additional funding to enable them to better deliver against the approved outcomes. Given the value engineering required, the Council’s grant officer and Heritage Fund appointed mentors / monitors, have all been very supportive of us seeking additional funding from the Heritage Fund. Officers are applying for just under £250k and this will enable the Council to add value back into the scheme following removal of elements through the value engineering process, and will also improve how the Whitaker are able to respond to the increased challenges presented by Covid.

3.2 **BUILD PROGRESS UPDATE**

The main contractor B&E Boys have made good headway on the capital build works since commencing on site on 29 June 2020. Swift progress was made with demolitions and clearance within the barn and stables and original features are being retained for re-use.

During August and September the structure of the barn was reinforced with steelwork and concrete floors poured. New internal walls were built to form the kitchen, bar and toilet facilities and a new staircase installed.

The foundations were prepared for the new link building and steelwork framing has now been assembled.

Drainage installation has commenced and first fix mechanical, electrical and joinery works are in progress.

Due to the age of the barn and stables building there have been items discovered that were not anticipated which have added pressure to the budget and these are addressed within the scope of the uplift application.

3.3 **CAPITAL CHALLENGES AND VARIATIONS**

There has been an increase in unexpected costs within the contract including:

- the building being found to be in a poorer state of repair than expected with additional structural survey fees and associated works and roof / floor timber repairs being required
- increased costs associated with the commercial kitchen and bar
- increased drainage requirements to alleviate surface water flooding at the rear of the barn and stables which was impacting the building
- alterations requested by Building Control to ensure compliance
- creation of a plant room
- revisions to the external hard landscaping to incorporate a ramp and steps

3.4 HERITAGE FUND UPLIFT PROPOSAL

With regards to items previously omitted from the contract through value engineering processes, it is proposed to fund the following capital related items:

- Renovation of the museum toilets to enable an upgrade of facilities and introduction of an additional accessible WC.
- Blackout blinds to facilitate film screenings
- Hard landscaping
- Additional kitchen fit out costs
- Production and fit out of the interactive “Explore” room for under 5s
- Additional drainage works
- Additional building improvement works

Extending the four project related contracts is also felt to be an important element of the uplift request. This will allow the team to deliver public facing activity over an extended period of time following reopening. This element also has support from the Heritage Fund who recognise the benefits of this extension. This would mean that whilst the build would complete in spring 2021, the activity and engagement side of the project would extend by a full 12 months to the end of December 2022.

4. RISK

- 4.1 The application for uplift is unsuccessful - Officers believe that the Council has a strong case for uplift based on the level of value engineering required to ensure that the scheme was within budget parameters and the impact of the Covid-19 economic climate which has impacted the Whitaker CIC’s ability to access funding and support through the number and variety of channels that were expected. Should funding be unsuccessful, activity will be scaled back again accordingly in line with approved budgets.
- 4.2 Project contingency is insufficient – additional contingency is being included in the uplift application. All big ticket costs have now been identified and costs are being closely monitored by the project team to ensure they remain on target.
- 4.3 Unforeseen additional costs arise – contingency allowances are in place. The build phase has progressed beyond the stage where significant new costs are expected to arise. The project team and main contractor are working closely together to ensure that the project remains on target.
- 4.4 Covid-19 resurgence leads to a disruption of the building works or supply chain – mitigation measures are in place in terms of a specific Covid contingency for items thought to be at risk within the supply chain. Regular reviews of government guidance and safety measures are in place to ensure a safe working environment and to reduce the risk of infection.
- 4.5 The build phase is extended, delaying reopening – regular meetings are being held between the project team and main contractor to ensure that timeframes and critical paths are monitored to prevent significant delays occurring.

5. FINANCE

- 5.1 If the uplift application is successful it will increase the Heritage Fund contribution to £1,959,389, bringing the overall project total to £2,261,339.

5.2 Whilst we anticipate a positive outcome of the Heritage Fund application, this is still a bidding process, therefore the Whitaker should continue to explore alternative funding opportunities.

5.3 Were the bid to be unsuccessful the project will be required to undergo another value engineering process to ensure it remains within the existing budget, unless alternative funding is secured.

6. LEGAL

6.1 The project team continue to monitor the contract to ensure compliance and maintain traction keeping the programme of works in line with the terms and conditions. In the event that the Council is successful in its request for the additional funding it is anticipated that the uplift will be added to the original grant agreement. Any additional requirements will be considered as and when the offer letter is received. In the event that the uplift is not successful the project team will continue to ensure that the scheme is delivered in accordance with both the grant terms and the build contract.

7. POLICY AND EQUALITIES IMPLICATIONS

7.1 As per the initial EIA assessment carried out there are no disproportional impacts. The benefits of the scheme to the wider community are significant and will improve the Whitaker's ability to cater to visitors in a Covid safe environment.

8. CONCLUSION

8.1 By securing an uplift in funding from the Heritage Fund, the project will add value back into the scheme and improve visitor facilities in line with best practice and government / public health guidelines.

To approve the recommendations as detailed:

1. To note the project progress and National Lottery Heritage Fund uplift grant application.
2. To authorise the Director of Economic Development in consultation with the Head of Legal (Monitoring Officer), Head of Finance and Portfolio Holder to enter into a grant funding agreement for the extra Heritage Fund uplift of c. £250k.

Background Papers	
Document	Place of Inspection
Whitaker HLF Council Report July 18	https://www.rossendale.gov.uk/meetings/meeting/1096/council