



CABINET

15TH NOVEMBER 2018

AGENDA ITEM (8)

CORINIUM MUSEUM - STONE AGE TO CORINIUM PROJECT - APPOINTMENT OF CONTRACTORS

Accountable Member	Councillor SG Hirst Cabinet Member for Housing, Health & Leisure
Accountable Officer	Martin Holland Leisure Services Manager 01993 861556 martin.holland@westoxon.gov.uk

Purpose of Report	To seek authority for the appointment of contractors for building and gallery improvement works at the Corinium Museum and to increase the Council's capital contribution towards the project.
Recommendation(s)	<p>(a) That Cabinet approves the appointment of contractors identified in Exempt Appendix 'A' to this report;</p> <p>(b) that Cabinet agrees an allocation of £100,000 from the Council's Priorities Fund for the Museum project;</p> <p>(c) that the Council underwrites any remaining shortfall in funding, with an allocation of up to £153,000 from the Council Priorities Fund revenue reserve.</p>
Reason(s) for Recommendation(s)	To increase visitor numbers and opportunities for residents, schools and visitors by refurbishing the Museum galleries that were not included within the major refurbishment project fourteen years ago.

Ward(s) Affected	All Wards
Key Decision	Yes
Recommendation to Council	No

Financial Implications	<p>(i) Cabinet (Min CAB.47 - 17th November 2017) authorised £50,000 from the Council Priorities Fund as a contribution towards the project.</p> <p>(ii) As the design phase of the project has progressed, and following receipt of tenders, the overall project cost has been revised to £1.678m; at the time of drafting this report there is a funding shortfall of £373,077, comprising £10,379 shortfall in fundraising and £362,698 from increases in project costs.</p> <p>(iii) The project Quantity Surveyor is reviewing costs and considering items which may be value engineered, with the nature</p>
-------------------------------	--

	<p>of works or method of construction assessed to see if costs can be reduced. However, existing funding commitments from partner organisations such as the Heritage Lottery Fund are dependent on the current designed scheme being delivered in full.</p> <p>(iv) A further £100,000 is therefore sought from the Council's Priorities Fund to enable the delivery of this project within a Council owned asset. Furthermore it has been indicated by three of the existing project funding bodies that, if the Council agrees to commit an additional £100,000 to the project they will seek formal agreement from their Trustees to increase their contributions by a total of £120,000 towards the project. Therefore, if agreed, the Council's increased investment should lever in match funding reducing the funding shortfall to £153,077. This includes provisional and contingent sums of £65,452.</p> <p>(v) It is anticipated further fund-raising and or the project contingency can cover this shortfall; however, the Council is asked to underwrite this sum.</p>
Legal and Human Rights Implications	None
Environmental and Sustainability Implications	The design team has considered environmentally friendly technologies and opportunities.
Human Resource Implications	The project is being delivered within existing Publica resources.
Key Risks	<p>(i) Contributions totalling £85,000 awarded by two of the funding partners may be withdrawn if key dates for start on site are not reported back in December 2018 (Background information refers).</p> <p>(ii) There existed a potential risk with the scheme that the Council may exceed its VAT partial exemption de-minimis position. In mitigation, after consulting VAT advisors, the Council has determined that it will be able to recover input VAT on capital works undertaken at the Corinium Museum. In establishing this position, the Council considered its use of the Museum as being limited to a lease (for nil consideration) to a third party who subsequently uses it to make supplies in its own right, and therefore concluded there would be no partial exemption issues.</p> <p>(iii) Visitor numbers to the Museum are in decline, if the Museum offer remains static this trend is likely to continue. Furthermore, parts of the Museum will remain difficult to access for some visitors.</p> <p>(iv) There is a risk that the cost of works increases due to unforeseen issues in the renovation of this historic building. Financial implications will be carefully managed with the assistance of the project design team.</p> <p>(v) If the preferred contractor is not selected, the Council would need to re-procure the works; this would cause delays which would result in the loss in funding from investors and the likely cancellation of the project.</p>
Equalities Analysis	An access audit was carried out during the development stage of the project and report produced. The barriers to participation, across the disability spectrum, were then considered and

	addressed (where possible within a listed building) at the design stages. This approach will result in the Museum and its collection being more accessible to a wider audience.
Related Decisions	Minute CAB.48 - 6 th November 2014 Minute CAB.47 - 17 th November 2016
Background Documents	None
Appendices	Exempt Appendix 'A' - Tender exercise results. Exempt Appendix 'B' - Revised Project Costs Summary.
Performance Management Follow Up	(i) Visitor numbers, expenditure and income are monitored on regular basis via established communication channels with SLM. (ii) The projects specific outcomes will be monitored for reporting to the HLF and funding contributors. (iii) The Council is monitoring the project income and expenditure via its internal accounting systems and is providing financial updates to the Project Advisory Board. The Council has Cabinet portfolio holder and Officer representation on the Project Advisor Board. (iv) Performance on the project will be reported as part of the Council's performance management process.
Options for Joint Working	The Museum will continue to work in partnership with the Friends of the Museum and the Cotswold Museums Charitable Trust. Volunteers now have an enhanced role interpreting artefacts for visitors; the number of regular volunteers has increased to 45 as a result of this project. Providing the pre-history link to the National Curriculum will strengthen the education offer for Schools and closer partnership working. Confirmed project partners include Cotswold Archaeology and the British Museum.
Background Information	
<p>1. Members will recall that the Council, in partnership with its Leisure Management Contractor, SLM, developed a project at the Corinium Museum to refurbish the galleries that were not included in the last Heritage Lottery funded (HLF) refurbishment project in 2002/04. A funding strategy was developed which included grant applications to the HLF, trusts and other grant giving bodies.</p> <p>2. Following a successful round one development grant award of £96,300 from the HLF in March 2015, the Cabinet at its meeting on 17th November 2016 gave authority for the submission of a round two, construction phase, grant application. Cabinet also approved a capital contribution of £50,000 towards the project from the Council Priorities Fund. At that time, a challenging fundraising target of £601,409 was set in order to top up the, expected, HLF grant and meet the estimated total project cost. Estimated costs were based on desk top estimates only and the possibility that costs would be higher once each element was procured was therefore recognised as a project risk.</p> <p>3. In June 2017, following a successful application, the Council was awarded a grant of £676,961 from the HLF, and since the project commenced the Museum Director and team successfully fundraised £538,640 which enabled the various project work packages to be advertised for tender. Returns were received on 8th October 2018 and, following review and scoring by the design team, it</p>	

became apparent that a budget shortfall existed. There has been a notable increase in construction costs and particularly the cost of building materials over the last two years in the UK which will have impacted on projected costs. It is considered that the tender returns offer value for money and agreement for the appointment of contractors is therefore sought (**Exempt Appendix 'A'** refers).

4. The revised project costs (**Exempt Appendix 'B'** refers) include provisional and contingent sums totalling £85,452 and the design team and project quantity surveyor are reviewing options to reduce the budget shortfall wherever possible. With practical completion of the project not anticipated until July 2020, there also exists the possibility to seek additional funding by approaching the projects other funding partners and exploring the potential from other sources.

5. In normal circumstances this Cabinet report would not have been presented until the budget shortfall mitigation options had been fully assessed and a final budgetary position established. However, due to certain major grant funder's requirements, a progress report is required in December 2018. If the project start on site in January 2019 and key dates are not confirmed when reporting back, there exists a risk their funding offers could be withdrawn (key risks refer).

6. To summarise, the project team is as confident as it can be that the budget shortfall will be covered; and given the time pressure imposed by some of the external funders the options and further fundraising potential will not be fully realised to meet their reporting deadlines. Therefore, to ensure the project continuation, officers are seeking authority to sign contracts and the approval of additional budget.

(END)