

Crawley Borough Council

	Report No:CTY/097	F
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Report to Cabinet

10th July 2013

Crawley Museum

1. Key Points

- 1.1 This report updates Members on progress with the application to the Heritage Lottery Fund (HLF) to refurbish and redevelop 103 The High Street (The Tree) as a new museum for Crawley. Specifically the report makes recommendations to enable the stage 2 application to proceed in August 2013.

2. Recommendations

2.1 Cabinet is recommended to

1. **Confirm the allocation of £25,000 Section 106 funding from the Sussex House development for public realm related works for the Tree.**
2. **Confirm the allocation of £15,000 from Section 106 funding from the Sussex House development for public art at the Tree.**
3. **Confirm a supplementary capital estimate of up to £46,000 to underwrite the partnership capital contributions necessary to make the Stage 2 HLF application.**
4. **Agree that the Stage 2 application will be submitted jointly from Crawley Borough Council and Crawley Museum Society with the Borough Council the recipient and lead on funding related to the construction / refurbishment works.**
5. **Confirm that the project can proceed if the Stage 2 HLF funding bid is successful.**

NIGEL SHEEHAN
Head of Community Services

3. Background

- 3.1 In September 2011, Crawley Museum Society was awarded Stage 1 approval of £998,500 from the HLF to refurbish and redevelop 103 High Street (The Tree) as a new Museum for Crawley. The HLF application was supported by funding of £720,600 from Crawley Borough Council, a projected £25,000 from Section 106 funding, £25,000 from commercial sponsorship and £11,000 from volunteer time. The total project cost for the Stage 1 development work and the Stage 2 delivery was projected as £1,780,100.
- 3.2 The purpose of the Stage 1 approval is to provide an early indication of the potential to secure the full 'Stage 2' grant and for successful applicants, funding to develop the scheme from its initial concept to more detailed designs suitable for planning submission and costing.
- 3.3 Since the Stage 1 approval, work has progressed on the scheme and the Stage 2 application is due to be submitted to the HLF in August 2013. Specifically works has progressed on:
 1. Community Consultation: An extensive consultation exercise was undertaken earlier in 2013. This evidence base is a requirement for the HLF Stage 2 application and the results demonstrate strong support from local residents for a more visible and high profile museum in a town centre location. The consultation has also provided helpful information about the historical aspects of greatest interest and particular features which would encourage residents to visit a local Museum.
 2. Design Development: Consultation with planning officers, highways officers, access representatives, English Heritage as well as various commissioned surveys have enabled the design to progress from the original concept to the submission for full planning approval. The planning application is scheduled to be submitted in July 2013.
 3. Museum Design: Work has progressed to confirm the Museum design including how key features of Crawley's history will be depicted and displayed, including how the Tree itself will be utilised and promoted as an exhibit in its own right. The Museum design work has also developed how the use of interactive aids and audio visual tools will be utilised to bring the exhibits to life and provide for a more interactive experience for customers. This interactive experience was highlighted as particularly key by local residents in attracting young people to the Museum.
- 3.4 At the time of the Stage 1 submission, the HLF had a £1 million cap on applications considered through their regional grants programme. This threshold restricted the funding which could be applied for and the application was for grant funding of £998,500. Since the Stage 1 approval, the HLF has increased their regional funding threshold to £2million which provides some flexibility to increase the application amount, providing this is justifiable and in line with the original purpose of the grant award.
- 3.5 In developing the project from the original concept to the planning submission, the cost of the scheme has increased from £1,780,100 to approximately £2,350,000.
- 3.6 These updated costings have been presented to the HLF and they have indicated that it is not uncommon for costs to increase between the original

Stage 1 application and the Stage 2 submission. Although this increase is larger than they would normally anticipate, the HLF monitoring officer has acknowledged that the Stage 2 HLF application will reflect the majority of increased cost, albeit the final decision on the application will rest with the HLF Grants panel.

4. Proposal

4.1 It is proposed that the Stage 2 HLF application is submitted in August and if successful, the scheme to refurbish and redevelop the Tree as the new Museum for Crawley proceeds. To facilitate the submission, Cabinet is requested to confirm agreement of the following

Approval of Section 106 Funding

4.2 Part of the original funding package indicated £25,000 funding from Section 106 agreements. Planning Officers have confirmed that the use of Sussex House Public Realm funding for external works at The Tree does fall within the requirements of this Section 106 allocation and it is proposed that this allocation is made to support this requirement. It should be noted that the S106 monies related to Sussex House have not yet been received as they are required to be paid prior to the occupation of the development. However, the development is under construction and discussions with the developer have indicated that the payments will be received in the autumn.

4.3 Although not included within the original concept and not a funding requirement, the new Museum would be an appropriate location for public art work. Planning Officers have confirmed that the use of Sussex House Section 106 money for public art at the new Museum does fall within the requirements for this allocation and have allocated a sum of £15,000

Partnership Funding Contributions

4.4 A further element of the original funding package was £25,000 from commercial sponsors. Work is on going to secure the £25,000 commercial sponsorship with a proposal issued to local businesses to consider sponsorship of individual exhibition spaces within the Museum. However, the results of this work are unlikely to be known in advance of the Stage 2 submission. To provide a guarantee for the HLF, it would be necessary to underwrite the commercial sponsorship element of the funding on the basis of this being accessed if there is a shortfall between the commercial sponsorship achieved and the funding target for this area.

4.5 Alongside the commercial sponsorship, there are some additional costs, primarily relating to external fees which the HLF advised it would be prudent to indicate being provided from sources other than the HLF in the Stage 2 application. This additional cost is £21,000.

Application Submission and Grantee

4.6 Since the Stage 1 bid was submitted, there is been a change in national policy which previously enabled charities to recover VAT on expenditure on restoration works to historic buildings. With this change, VAT would have to be added to the overall cost of the project if the Museum Society is to remain as the sole applicant. VAT can however be recovered if the Borough Council takes the lead on all constructions works associated with the project. To achieve this, the Borough Council would need to be the applicant to the HLF

for these elements of funding. The HLF have accepted this position and are willing for the Stage 2 application to be submitted jointly by the Borough Council (construction lead) and the Museum Society (activity lead).

5. Ward Members' Views

- 5.1 The proposal will serve the whole town rather than a specific ward / number of wards.

6. Staffing, Equalities, Financial and Legal Implications/Powers

- 6.1 The scheme is included within the current capital program with a total budget of £763,000 of which £720,600 was allocated for the Development and Delivery stages and £42,400 for the Pre Bid works.
- 6.2 A revised bid in the region of £1.60 million for stage 2 will need to be submitted to the HLF representing an increase of approximately £600,000 as specified in paragraph 3.5.
- 6.3 A supplementary capital estimate of £46,000 will also be required to underwrite the commercial sponsorship requirement of £25,000 and to meet those costs the HLF advised should not form part of the Stage 2 submission of £21,000 as detailed in paragraphs 4.5 and 4.6 respectively.
- 6.4 Legal implications are dealt with in the body of the report.
- An Equality Impact Assessment has been completed y

7. Risk Implications

- 7.1 Risk analysis and mitigation has formed part of the on going work of the Project Team. Within this context, all items noted within the risk register have been allocated a contingency cost unless or until the particular risk is fully mitigated. This has increased the overall contingency budget however this is considered prudent when working on a refurbishment of a historic listed building. This approach to risk management is particularly important as the Council would be liable for the full costs should any overspend occur through the construction phase.
- 7.2 The HLF funding is a key element of the overall construction budget. The project will not proceed should the Stage 2 HLF application not be successful.

8. Environmental Impacts

- 8.1 Environmental sustainability has been considered as part of the refurbishment / redevelopment works at the Tree and where feasible, measures to reduce energy consumption are being incorporated into the facility design.

9. Reasons for the Recommendation

- 9.1 The recommendations will enable the Stage 2 HLF bid to be submitted, and subject to consideration of the bid, the scheme to progress.

10. Background Papers

- 10.1 Crawley Museum Community Consultation Report (May 2013).
10.2 Equality Impact Assessment

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