



Report for:	Cabinet
Date of meeting:	17 October 2017
Part:	1
If Part II, reason:	

Title of report:	The Bury Museum Project
Contact:	<p>Cllr Graham Sutton, Portfolio Holder for Planning and Regeneration</p> <p>Responsible Officer: James Doe, Assistant Director (Planning, Development & Regeneration)</p> <p>Authors: Nathalie Bateman, Team Leader Strategic Planning and Regeneration Claire Covington, Strategic Planning and Regeneration Officer</p>
Purpose of report:	To seek Cabinet agreement to proceed with the Bury Museum project
Recommendations	<ol style="list-style-type: none"> 1. That designs, reports and costs for the Bury Museum project are prepared for a first round application to the Heritage Lottery Fund's Heritage Grants programme, based on the scope as set out in the content of the report. 2. That delegated authority is given to the Assistant Director (Planning, Development and Regeneration) for the appointment of consultants and contractors to prepare a first round application to the Heritage Lottery Fund's Heritage Grants programme. 3. That the detail of the draft first round bid is reported to Cabinet for approval prior to submission to take the project forward through the Heritage Lottery Fund process.

Risk Implications	A full risk assessment has been carried out for the Bury museum project and will be updated monthly as part of DBC's project management reporting. Thorough reviews will be undertaken prior to bid applications and at construction.
Community Impact Assessment	A Community Impact Assessment has been carried out for the Bury museum project.
Health And Safety Implications	The Health and Safety impacts of the proposals will be assessed at detailed design and delivery stage. The requirements of the Construction (Design and Management) Regulations 2015 will be incorporated into tender documents.
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>No detailed comments to make at this stage of the process but this will be reviewed once the bid submission is completed.</p> <p>Officers should review the terms of previous HLF funding grants or draft funding agreements so that the Council is clear of any potential scenarios where funding could be repayable in the future.</p> <p>S.151 Officer</p> <p>The capital programme approved in February 2017 budgeted costs of c£2m for the delivery of the museum, based on high level estimates that were available at that time. Further, more detailed work has since been undertaken, and the estimated capital cost has increased to £3.5m, with a further £600k of revenue costs identified. Currently, it is anticipated that £1.9m of the costs will be funded by the HLF, making the net cost to the Council £2.2m.</p> <p>The HLF funding is not guaranteed, and, as things currently stand, if the funding bid was unsuccessful the full cost of delivery would fall to the Council.</p> <p>The indicative timeframe within this report, designed to align with the HLF bidding process, ensures that the costs and the business case will continue to be refined in incremental steps over the next two years and periodically reported back to Members for approval. This provides an opportunity for the Council to review its options subject to the funding decision by the HLF.</p> <p>In order to prepare for the revenue costs associated with the project, it is recommended that contributions to the Dacorum Development reserve be prioritised as part of the outturn and budget setting exercises.</p> <p>There is potential for further residential development around</p>

	<p>The Bury site, which could generate a capital receipt for the Council. The potential receipts associated with a residential development have not been considered within the assessment of the museum project on the basis that the two projects are not interdependent, and therefore the receipts could be considered as a possible source of funding for competing Council projects.</p>
Consultees:	<p>Mark Gaynor, Corporate Director (Housing & Regeneration), DBC</p> <p>James Deane, Corporate Director (Finance & Operations), DBC</p> <p>David Skinner, Assistant Director (Finance & Resources), DBC</p>
Background papers:	<p>Cabinet Report: The Bury Museum and Art Gallery project, Hemel Hempstead, July 2014.</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>DBC Dacorum Borough Council</p> <p>HLF Heritage Lottery Fund</p> <p>DHT Dacorum Heritage Trust</p>

Background

1. Introduction

- 1.1 Cabinet first considered the proposals for the Bury to be used as a museum in 2014 when the initiative was brought forward by Dacorum Heritage Trust (DHT).
- 1.2 At their meeting of 22nd July 2014, Cabinet agreed in principle to the use of the Bury for a new Borough-based museum subject to a favourable funding bid, and for the building to be leased to Dacorum Heritage Trust Ltd for that purpose on a peppercorn and non-repairing basis. DHT's proposals were not accepted by the Heritage Lottery Fund (HLF) at that time.
- 1.3 Following the opening of the Forum in January 2017 Herts Register Services vacated the Bury. The building is now largely empty apart from the rooms used by Mike Penning MP as a constituency office. The tenancy arrangement with Mike Penning MP provides terms for the building to be returned to Dacorum Borough Council when required.
- 1.4 The Bury museum project has now been brought forward as a corporate priority and is being led by Dacorum Borough Council utilising skills and experience from the successful application for the Water Gardens and delivery of the Hemel Evolution capital programme. The project is being developed in partnership with DHT with the intention of building their skills and resources to enable them to play a key role in the operation of the museum service. Future roles and responsibilities will be considered during the project feasibility stage to ensure long term viability.
- 1.5 However, there is a clear intention that the project will now cover its outgoing costs, including the internal and external maintenance of the building, grounds and running costs. In order to deliver this, the facility will need to optimise opportunities for income generation to support a sustainable business plan and it will require ongoing scrutiny. It is proposed that prior to the opening of the museum consideration will have to be given to employing a venue manager or similar role to manage the business plan including income generation, allowing DHT to focus on the heritage offer (See 2.1).
- 1.6 The intention is to apply for a Heritage Grant from the HLF, a programme which funds larger heritage projects of any kind. The total grant application to the HLF will be under £2 m to retain a decision at regional committee level. Higher grants are targeted towards heritage schemes of national significance and applications above £2 m are considered by the Board of Trustees with bids competing against other applications from across the UK. For grant application of under £2 m projects are expected to deliver a minimum of one of the HLF's outcomes in each of the heritage, people and communities categories. This could involve heritage being better managed or in an improved condition, developing skills or learning about heritage, and involving more people in heritage or reducing negative environmental impacts.

- 1.7 The grant application can include contributions, for a limited and defined period, towards salaries of new posts, maintenance costs and an activity programme for involving people in heritage, in addition to capital construction costs and professional fees. A monetary value can also be placed on volunteer time which is expected to be delivered as part of the project.

2. Scope of the Bury Museum project

- 2.1 The scope of the project focuses on providing a museum service within the Bury building with a sustainable business plan to include:

- Renovation and repair of the Bury building to modern standards
- Replacement front extension to improve access and the building's appearance
- Rear extension to house a café/restaurant, shop, wall space for artwork, new toilets and lift
- Conversion and fit out of the Bury to museum
- Layout and design of the museum to provide a venue for weddings
- Layout and design of the café/restaurant to provide opportunities to host wedding receptions and other similar scaled functions with the addition of an adjoining marquee to increase the space
- Layout of the museum to provide the main accommodation for DHT staff
- Layout of the museum to provide a facility to maintain and prepare exhibits
- Demolition of the existing garages
- Enhancements to grounds to provide usable space for visitors and improve the connectivity of the Bury and its cafe with Gadebridge Park through better pedestrian access from the park and improved views of the charter tower and walled garden.
- A sustainable business plan.
- Employment of a venue manager and other new staffing posts associated with running the museum.
- Programme of activities and events to generate community involvement and footfall
- Professional advice to help DHT review and refine the existing collection to help with storage issues.

- 2.2 Members should note that the consultants' report also looked into the potential for separate development of new housing on parts of the site that would not be needed for the museum project. For the avoidance of doubt, this does not form part of this project or decision requested of Cabinet as part of this report.

Out of scope

- 2.3 DHT's previous proposal included a major freestanding building as a museum store to consolidate their collection and to provide research

facilities. The suggestion was to locate the store in the area currently used as garages. The museum store was excluded from the 2014 project and does not form part of the current proposals as it would significantly add to the capital costs that are already being supported by the Council.

- 2.4 There is also concern at any development within this area as historically it formed part of the Bury grounds and was not used for buildings associated with the main house. Any building here would also be close to the walled garden and obstruct views between the walled garden and the Bury and the delivery of improved connections between the museum and Gadebridge Park.

3 Feasibility work

- 3.1 In January 2017, DBC appointed consultants Buttress to not only explore capital funding opportunities as mentioned in 2.2 but also to assess the viability of developing the Bury as a museum, and explore the business case requirements for a sustainable museum development.
- 3.2 A statement of significance, measured survey and an initial assessment of the condition of the Bury have been undertaken to inform project costs. At present a rate per square metre has been used to estimate costs for converting and extending the Bury, intrusive surveys will be required at a later stage to complete the investigations, identify any serious issues and provide a detailed cost breakdown for the building. As parts of the building are currently unoccupied there is a risk that its condition will deteriorate prior to conversion works starting on site, increasing costs.
- 3.3 A new extension is proposed to the rear of the Bury to provide complementary services to the museum including a visitor reception area, café, shop, and toilet facilities. Part of the extension would be two-storey and could accommodate a lift in addition to flexible space for the museum service. This would be located to the rear of the Bury on the eastern side, linking to the first phase of the building dating from 1790. The connection and design would be modern and contemporary, and sensitively considered. The visitor reception area would enable the café or Bury to be hired separately for private functions. It is also proposed to remove the Bury's existing flat roofed extension on the front elevation facing Queensway and introduce a contemporary glazed replacement. Initial discussions have been held with conservation and development management on potential changes to the Grade II* listed building, and no prohibitive constraints have been identified.
- 3.4 Desktop research has been undertaken into the potential market for the museum considering other heritage attractions within a 40 mile radius. The Bury is expected to appeal to families, retired couples/individuals caring for grandchildren, schools and people using the park for leisure purposes. It would serve a local audience from within Dacorum and neighbouring local authorities and 15,000 visitors per annum have been assumed for business modelling purposes. This market would require a facility which offered flexible space for

events/activities, a cafe, facilities for education visitors, study/research space, toilets and a compelling heritage offer. A public consultation programme and detailed market research will be undertaken prior to the first round bid and during the development phase to inform the design of the museum, heritage offer, facilities and sustainable business plan.

4 Dacorum Heritage Trust

- 4.1 DHT is a key partner in the museum project and is actively involved in developing the museum offer, drawing on their heritage expertise. The important objects and range of their collection will drive the interpretive approach and narrative of the museum and how it could be explored. DHT's organisational needs are currently being considered and will be supported through a development and training programme which Buttress is preparing as a key part of the project.
- 4.2 Future roles and responsibilities will be considered during the project feasibility stage to ensure long term viability once the museum is established. This will include responsibility for ongoing operational and internal maintenance costs, and significant planned maintenance items.

5 Project costs

- 5.1 The cost of feasibility work to date is £47,588, this is a revenue spend from a budget intended to support the development of capital projects undertaken by the Strategic Planning and Regeneration Team. It is anticipated that a maximum of £25,000 will be required to complete and submit the first round application, to include development work with DHT, public consultation programme and initial market research.
- 5.2 If successful this will be followed by a development phase leading up to a second round application. The total project costs from the stage one application to project completion (including two years revenue costs post construction) are estimated at £3.5 m capital and £570k revenue. This is an early indication of costs at concept design.
- 5.3 To ensure the Council fully understands the project's financial commitment including ongoing revenue costs and any associated risks, the project costs will be refined and tested through the feasibility stage. The costs and project risk assessment will be reported to Cabinet for approval prior to the first round application in summer 2018.
- 5.4 A grant towards the development phase of works will be applied for as part of the first round submission. This forms part of the overall HLF funding consideration and the combined grants from the first and second round must total under £2 m.
- 5.5 The project will need to consider what ongoing staff resource will be required to ensure the venue and facility is managed effectively. The salaries of new posts can be included within the HLF project costs for the first two years after the museum opens. A venue manager will help develop and deliver business opportunities that will help support the

running and maintenance of the facility. Potential income streams will be explored through the development phase to support a sustainable business plan.

- 5.6 At present a total grant application of £1.895 million is proposed, which will contribute towards capital and revenue costs. As estimated total project costs (capital and revenue) are currently £4.1 m, this would leave a funding gap of £2.2 m. Within the initial programme, construction is expected during 20/21 and an allowance for inflation in the period up to construction has been included. However at this concept design stage costs are indicative and are likely to increase once the full condition of the building and requirements to operate the museum service are known. The gap in available funding would increase as a result. The project team will work with finance officers to keep them informed of any changes during the project development and delivery phases.
- 5.7 Currently DBC has a small budget (£5000) for one-off repairs to the Bury and receives a small rental income (£6170) for use of the building as a constituency office. DBC has not been covering the full costs of operating the building due to the previous lease arrangements with Herts County Council.
- 5.8 A sustainable business plan will be developed as part of the bid with the aim of the operation of the building becoming cost neutral after a 3 year period. Types of revenue could include café rent, fees for school visits, ticketed events and exhibitions, room hire, shop sales and use of the building for weddings. Initial business modelling suggests an annual income of £128,000 with 75% achieved in year one, 90% in year two and the full amount from year three onwards. Performance against the business plan will be carefully and regularly monitored during the museums initial operational period.

6 Next steps

- 6.1 An initial project programme is detailed below. The Heritage Grants programme has a two stage application process and the development phase leading to the second round application takes a minimum of 12 months. A planning application for a Heritage Grants scheme is usually submitted before the second round application is made to enable planning consent to be achieved before the regional committee's award meeting. The second round application may be delayed to a later committee meeting if strong applications are expected from the region on the targeted cycle. Based on experience from the Water Gardens project, construction is currently expected to take place in 2021/22 with the HLF grant period ending in 2024/25.
- 6.2 Subject to Cabinet approval, a project enquiry form will be submitted in November 2017 to seek the initial views of the HLF on the scheme. Further development work to take place will include a detailed condition survey of the Bury building, updated costs, layout, design and statement of significance. A public consultation programme, audience assessment, market research and development of a training programme for DHT will also form part of the next phase. Details of the draft first round bid will be reported to Cabinet next year for

approval with the intention of submitting a first round application in August 2018.

- 6.3 An initial programme has been prepared and will be updated as the project progresses.

Feasibility study	September 2017
Cabinet approval for project	October 2017
HLF Expression of Interest	November 2017
Develop HLF stage 1 bid	December 2017 – June 2018
Approval for project costs	July 2018
Stage 1 HLF application	August 2018
Cabinet approval for stage 2	February 2019
Procure consultants HLF stage 2 bid	March 2019
Planning application	February 2020
Cabinet approval stage 2 costs	April 2020
Stage 2 HLF application	May 2020
Cabinet approval for delivery	October 2020
HLF permission to start	November 2020
Procurement of main contractors	March 2021
Planning condition discharge	March 2021
Construction	21/22
Museum opens	22/23
Museum operational	23/24
HLF grant period end	24/25