

Report to the Cabinet

Meeting to be held on Thursday, 9 November 2017

Report of the Libraries, Museums, Culture and Registration Services

Part I

Electoral Divisions affected:
All

Re-imagining the Harris

(Appendices 'A' to 'C' refer)

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Executive Summary

The Re-Imagining the Harris project is a partnership between Lancashire County Council and Preston City Council started in 2015 with the aim of repositioning the Harris Museum, Art Gallery and Library, and securing major investment to redevelop the building and the services it offers. This report identifies the key areas where progress is required if that aim is to be achieved.

Recommendations

The Cabinet is recommended to:

- (i) Agree to support a further funding application being made to the Heritage Lottery Fund in November 2018.
- (ii) Agree that the County Council makes a contribution of £45,000 to the cost of preparing a further funding application to the Heritage Lottery Fund
- (iii) Agree that the revenue costs for the Re-Imagining the Harris project, currently committed until August 2018 be extended until June 2019 and the position be reviewed in light of the application outcome.

Background and Advice

The Harris is a Grade 1 listed building owned by Preston City Council (PCC). PCC runs the museum and art gallery within the Harris. Lancashire County Council (LCC) leases 40% of the building to house the largest library in the LCC library service. The relationship between the two Councils is governed by an agreement (signed in

1997) “for the use and occupation of the Harris building”. This agreement obliges LCC to pay 40% of the building costs, and to give PCC six months' notice if it wishes to vacate the Harris.

PCC and LCC established the 'Re-Imagining the Harris' project in 2015, sharing the costs of a Project Leader and securing support from Arts Council England (ACE). The project has four priorities which are to:

- Develop a new vision for the Harris as an arts and cultural centre for the community and an important regional visitor destination centre;
- Prepare a business case to support a new joint staffing structure;
- Prepare a major bid for HLF and other funds to deliver the established vision;
- Exploit commercial opportunities and efficiency savings to reduce the Councils' revenue costs.

A vision and masterplan for the Harris were developed during 2016, through LCC and PCC working with a range of consultants to scope a project estimated to cost £18.6 million. On the basis that contributions of £1 million would be made by each council, it was anticipated that the remaining £16.6 million would be secured from external sources.

The Heritage Lottery Fund (HLF) was identified as a key external funder and a £10 million bid was made to HLF in November 2016. Although unsuccessful the bid received favourable feedback. In its letter in May 2017 confirming that the HLF had decided not to offer a 'first-round pass' and development grant for the project, the Project Leader was advised that the HLF Board "recognised the importance of the building and its collections, the strong potential for people outcomes and the distance travelled to date in terms of integration of services and strong support of both Councils. However, Trustees also highlighted the level of risk associated with the outstanding match funding, the challenges around the front extension and the associated management of stakeholders and the need to be more explicit over how our previous investment would be managed in any new scheme".

Competition is intense however, and there is no guarantee of success through a further bid. A meeting was held with HLF representatives following the receipt of the letter referred to above and on the basis of that, if a bid is to be made, the HLF will expect the following issues to have been addressed.

- 1) Progress in advancing the transformation process at the Harris – in particular the move to a single team, accompanied by a joined up governance structure, with active elected member involvement;
- 2) Progress in securing the matched funding requirement, to accompany any HLF investment. This would include clarification of the contributions from both councils, and the consideration of whether the match funding requirement of a bid would be underwritten;
- 3) Determination of the balance between protecting previous HLF investment in the Discover Preston Gallery and delivering innovation;

- 4) Demonstration of pro-active engagement with local stakeholders in relation to the proposed physical changes to the outside of the building;
- 5) Progress being made in identifying a sustainable way forward for the Helmsshore and Queen Street mill museums.

A list of all the actions required to prepare a further funding application to the HLF is included in Appendix A. The HLF receives funding applications of this scale in November each year and given the extent of the work needed to prepare such an application the earliest practicable submission date is November 2018.

The development of a new submission to the HLF will involve a range of activities and commissions to ensure the bid has the best chance of success. The details are included in Appendix C and the estimated cost is £90,000. It is proposed that this cost be shared equally between LCC and PCC.

Match funding of £105,000 has been secured from two local trusts, and negotiations have begun with a range of other partners. A recent conditional award to the Harris by the Arts Council England of National Portfolio Organisation (NPO) status will facilitate a significant bid to ACE for capital funding associated with this project.

This conditional award will help to raise the profile of the Harris as it will receive £225,000 revenue funding a year for four years from 2018-2019 to deliver an enhanced programme. The ACE conditions are included at Appendix B.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Financial

The proposals have direct revenue and capital implications.

It was agreed by the Cabinet Member for Environment, Planning and Cultural Services on 25th April 2015 to contribute £120,000 to the cost of appointing a Reimagining the Harris Project Leader for a fixed term period of three years. The cost of extending this post from September 2018 to June 2019 is circa £40,000, at which point the position will be reviewed in light of the HLF decision. This amount can continue to be funded from within the Libraries, Museums, Culture and Registrars revenue budget. A further £45,000 of non-recurring revenue funding will be contributed by the County Council to cover its proportion of the cost of preparing a further funding application to the HLF. This funding will need to be provided from the Transitional Reserve.

HLF will expect to see significant contributions from both Councils towards the capital development scheme. Both Councils earmarked £1 million for the 2016 submission. Commitment to a £1m capital contribution from LCC will need to be from increased borrowing and over 20 years will have a revenue impact of 70k pa that would need to be built into the MTFS from 2018/19

Risk management

Financial

- The Harris Masterplan has been estimated to cost £18.6 million. There is a risk of increased costs which will need to be managed by the project team.
- The Agreement between the parties will need to be clear on where the risk for funding cost over runs or changes in scope lies.
- A significant part of the investment described in the Masterplan will contribute to a reduction in the day to day running and conservation costs of the Harris building, thereby reducing costs for both Councils. Significant improvements will be made to the heating and electrical systems for instance.
- There will be a significant match funding requirement to enable the capital project to go forward. A decision on underwriting of match funding may be required. The process to secure this match funding has started with staff resource from the Harris Museum team dedicated towards it.

Legal

The delegation of the library function from LCC to PCC and the associated implications including the transfer of staff are being considered by the legal departments at the two Councils. This would involve the current user agreement (written in 1997) between LCC and PCC, being discarded, and a new arrangement coming into place

HR

The current staffing arrangement has separate teams running the library and the museum. Improvements in efficiency and the quality of service offered to users of the Harris should be deliverable through a single team approach. Any future transfer of staff from LCC to PCC is likely to be covered by the Transfer of Undertakings (Protection of Employment) Regulations.

List of Background Papers

Paper	Date	Contact/Tel
The Harris Museum and Art Gallery (The Harris) Shared Services Initiative	28/04/2015	Phil Barrett 01772 534675

Reason for inclusion in Part II, if appropriate

N/A