

Report to the Cabinet

Meeting to be held on 9th August 2018

Report of the Libraries, Museums, Culture and Registration Services

Part I

Electoral Division affected:
(All Divisions);

Capital Redevelopment of the Harris Museum, Art Gallery and Library

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Executive Summary

The Re-Imagining the Harris project is a partnership between Lancashire County Council and Preston City Council which was established in 2015 with the aim of transforming the Harris Museum, Art Gallery and Library (the Harris). This report focusses on the ambition to secure major investment to redevelop and improve the services offered at the Harris

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendations

Cabinet is asked to:-

- (i) Allocate £1 million of capital expenditure as a contribution to the redevelopment of the Harris.
- (ii) Approve the submission of a bid for approximately £4.5 million to the Heritage Lottery Fund as part of a redevelopment project estimated to cost £10.5 million.

Background and Advice

The Harris is a Grade 1 listed building owned by Preston City Council which runs the museum and art gallery within the Harris. Lancashire County Council leases 40% of the building to house the largest library in the county council's library service. The city council and county council established the 'Re-Imagining the Harris' project in 2015, sharing the costs of a Project Leader and securing support from Arts Council England. A fundamental priority for the project is to develop a capital development

scheme to attract additional external investment, for example from the Heritage Lottery Fund.

A vision and masterplan for the Harris were developed during 2016, to scope a redevelopment project estimated to cost £18.6 million. The Heritage Lottery Fund was identified as a key external funder and a £10 million bid was made to the Fund in November 2016. Although unsuccessful, the bid received favourable feedback.

The capital project's aim is to create a sustainable and democratic high quality offer, with constantly refreshed and community led museum, art gallery, library services and cultural activities delivered seamlessly. An objective is to effectively utilise the unique opportunities provided by the Harris, as an iconic Grade 1 listed building and civic focal point for the city, housing a library, museum and art gallery, with an excellent range of collections, and to create an animated cultural and community hub for the people of Preston and Lancashire, with a diversified range of income streams.

In November 2017, Cabinet agreed to support a further funding application being made to the Heritage Lottery Fund in 2018. The Fund announced late last year that there would not be a 'major batch' bidding round in November 2018, meaning that there would be no opportunity to ask for more than £5 million. It is therefore proposed that the original masterplan be phased into two parts. The first phase would involve a project of around £10.5 million, and a bid to the Heritage Lottery Fund in the region of £4.5 million, which would need to be submitted by 16 August, 2018. The second phase would take place once the first phase was completed, starting around 2024.

Based on discussions with Heritage Lottery Fund representatives, it will be essential that, in order to maximise the chances of success, the project is transformational and addresses a significant heritage demand. It must provide long term benefits and opportunities for local communities and align with wider regeneration priorities. It should also provide value for money and deliver long term sustainability for the Harris. The project will need to have a robust funding package and be developed in consultation with all stakeholders.

Project update

To ensure the highest quality bid possible is made by 16 August 2018, the following developments have been put in place:

- 1) Increased project management support and fundraising capacity has been provided by the city council.
- 2) The delegation of the Harris Library function to the city council has been agreed and is currently being pursued.
- 3) A range of consultancy appointments have been made to the project team, through existing approved funding covering conservation architecture, interior and library design, museum and heritage services, commercial analysis and cost analysis.

- 4) Targeted public consultation concerning the project continues with a range of relevant communities across Preston and beyond, including young people and families.

Prospective funding

The estimated £10.5 million required for this phase of the Harris capital development (of which £10m is capital expenditure and £0.5m is revenue expenditure supporting the lead up to the capital development) is planned to come from a range of sources. This range of sources and estimated amounts are set out below:-

Source	Amount
Heritage Lottery Fund	£4.5m
Lancashire County Council	£1m
Preston City Council	£1m
City Deal	£1m
Other stakeholders	£0.5m
Arts Council England (including £0.150m NPO funding already secured)	£0.625m
Trusts and Foundations (including (£0.135m already secured))	£1m
Local Fundraising	£0.875m
Total	£10.5m

The Heritage Lottery Fund will expect a significant contribution to come from local public sector partners. Discussions are currently taking place with key partners and stakeholders.

Match funding of £125,000 has already been secured from two local trusts, and bids are in the process of being submitted to other potential funders, both local and national. An application of £475,000 will be made to Arts Council England, to complement the £150,000 of revenue funding the Harris receives from Arts Council England, through its National Portfolio Organisation status.

Consultations

None

Implications:

This item has the following implications, as indicated:

Financial implications

The proposals have direct revenue and capital implications.

The project will improve operational efficiency of the building and its services, although it is too early at this stage to quantify the financial impact of this.

The agreement by the county council is to make provision for £1m capital investment to allow support for the bid to the Heritage Lottery Fund. This would be additional borrowing, should the project go ahead, which would be subject to a further capital report on the outcome of the bid, and be dependent on all other funding sources coming forward at that time. The cost of this additional borrowing would be considered at that time.

Property Implications

The county council's occupation of the building is covered by an Agreement which commenced in 1997 between the county council and the then Preston Borough Council. The Agreement was a right to use and occupy (User Right Agreement) prescribed parts of the building for library use, subject to a 40% contribution to the buildings costs, which equated to circa £325,000 per annum. As the proposal is to upgrade and use the building in a much more flexible and integrated way with the combined services, the Agreement would require amending to reflect and protect the county council's rights going forward. The county council's 40% contribution to current costs have been accepted as a commitment by the library service to fund its share of the overall proposal and joint funding bid promoted by the two authorities.

Risk management

To manage the financial risk, a detailed budget estimate would need to be produced, based on the specific scheme proposals, in relation to alterations and new work. This would be built up from specific detailed reports and schedules previously commissioned, relating to the scope and costs of specific essential repairs and maintenance items. Risk allowance would be calculated on the basis of a costed risk register, seeking to identify potential risk, and indicating the assumptions made in arriving at a risk allowance, based on the product of the risk ie. likelihood and impact. Costs will be cross checked and benchmarked against known similar schemes, to establish robustness, and will be market tested as appropriate whilst the design proceeds. As part of the costing, inflation will be calculated and allowed for, based on the latest published figures for Tender Price inflation, based on the assumed programme. This will be reviewed regularly during the Project development period.

List of Background Papers

Paper	Date	Contact/Tel
None		
Reason for inclusion in Part II, if appropriate		
N/A		