

Cheltenham Borough Council

Social & Community Overview & Scrutiny Committee

9 September 2002 6.00pm

Proposed Development of the Art Gallery & Museum

Report by the Head of Art Gallery & Museum

1 Summary & Recommendation

- 1.1 At the time of writing this report in August, the planning application for the proposed development is unlikely to be considered before 10 October, as English Heritage is seeking additional information for its committee to consider. This report seeks to identify the funding necessary to take the project forward and notes the cost of not taking the project forward. This report is to help support the budgeting process for the 2003-2004 financial year.
- 1.2 **I recommend that this report be noted.**

2 Background

- 2.1 The Leisure Committee held on 20 June 2001 unanimously supported the reasons for the development. The public consultation behind this reasoning was also highlighted. The scheme was last brought before a Council body at the Cultural & Economic Overview & Scrutiny Committee on 21 March 2002. The benefits of pursuing the development were noted at that meeting and are, briefly, as follows:

- 2.2 Improved visitor access / circulation through the building

Currently there are confusing circulation routes up to the main gallery level and the lift is not directly accessible to visitors. The development will provide lift access to all floors from the foyer and simplify the circulation at the main gallery level. A major staircase from the foyer to the main gallery level will make the route to the galleries absolutely clear.

- 2.3 New collections galleries, emphasising the story of Cheltenham and the Arts and Crafts Movement

The second-floor galleries will be redisplayed, with new displays emphasising what makes Cheltenham's collections distinctive and different. Cheltenham History Galleries will explore the town's past including links with the wider world from the colonies to GCHQ. The British Arts and Crafts Movement collections, which have been 'designated' by the Secretary of State for Culture as nationally important, will occupy an expanded space with broader displays. 'Taster' galleries will show other areas of the collections.

2.4 Improved accessibility and storage for the study collections

Access to collections not on display is increasingly important for many people, from researchers to school-children. There will be a study area where, by appointment, collections not on view may be seen, together with some walk-through storage areas. Most importantly there will be considerably improved storage conditions, ensuring that Cheltenham's collections are preserved for future generations.

2.5 A new, larger space for temporary / special exhibitions

This will be three times larger than the current ground-floor space and will enable major national touring exhibitions to come to Cheltenham.

2.6 Creation of a dedicated art gallery

The Service began as an art gallery alone in 1899 with the museum being added in 1907. For some while the two aspects have been integrated but consultation has revealed a strong desire on the part of visitors to have a separate contemplative space dedicated to the display of the collections of painting and sculpture.

2.7 Improved and enlarged public facilities

There will be a dedicated space for Education and Outreach sessions and a separate meeting room for talks, lectures and other events. The latter will be available for hire and will enhance community facilities in the town. Other generators of income that also provide important visitor services are a bigger café and enlarged shop.

2.8 Creation of a 'landmark' building for Cheltenham

The new building has been designed by the architect, Terry Pawson to be a quality 'landmark' structure in keeping with the town's cultural aspirations. The buildings currently owned by the museum in Clarence Street from no. 51 running westwards are included in the development with the aim of creating a visually unified façade that is balanced both in scale and proportion with the 1889 Library building to the west of the central tower. The back of the building will also be important enhancing the conservation area centred on St Mary's Church.

3 Current funding position

- 3.1 The scheme is funded by the Council up to and including the planning application stage. It has paid £120,000 to reach this stage. This sum can be used as part of the partnership funding required for a bid to the Heritage Lottery Fund (HLF), provided the payments were made within twelve months of the date of the application to the HLF. While no provision was made in the February 2002 budget for further progress in the current financial year, the Cabinet made the following statement in its budget report:

This remains a priority area for the Cabinet should additional resources be identified. Cabinet actively pursuing avenues of funding.

- 3.2 The Cabinet has not identified further funding to take the development forward prior to consideration of the issue as part of the 2003-04 budget process.

4 The future funding process

- 4.1 It would greatly simplify the making of an application for financial support to the HLF if it followed the granting of any planning permission. The application process has two stages. Stage I requires a business plan to be worked up with the help of external consultancy, estimated to take four months and to cost £20,000 approximately. This cost is not grant-aidable by the HLF but it can contribute to the partnership funding element of a bid. The HLF, which takes up to six months to consider this application, at this point notionally sets aside a grant if it approves the scheme in principle. Our advice from the HLF is that we should apply for a 50% grant for the scheme.
- 4.2 Within 12 months of approval of Stage I, the HLF will wish to consider a Stage II application for detailed design and costings. The preparatory period for this work is estimated to be four months. Stage II approval by HLF confirms its level of financial support. Changes thereafter are very difficult to make.
- 4.3 Prior to the detailed application being made, the Council will need to appoint a design team who will have the responsibility of taking the project through the design and construction stage to final completion. Due to the value of the scheme (circa £7.9m) the Council will need to comply with the EU procurement regulations in order to make this appointment. The cost to procure this stage of the project is estimated at £7500. The EU procurement regulations will also need to be followed in the selection and appointment of the main building contractor.
- 4.4 The Council will undertake an extensive tender evaluation process in order to select and appoint a design team. The evaluation criteria used will reflect the optimum balance between expertise and value for money.
- 4.5 A chart showing overall costs against a timetable is set out as Appendix A. This chart excludes the cost of a Development Officer. This is a post that both the architect and staff agree is necessary to pursue the details of a bid and the issues, such as decanting, leading up to the construction work. By having a separate person to undertake this work it will be possible to capitalise the cost and include it as an element in a bid to HLF with the lottery fund grant-aiding the cost as it would other elements of the scheme in any successful funding bid. Were this work to be part of a revenue-funded post, it would be very much harder to obtain grant-aid towards the cost of this input. An intermediary between the Council and the successful contractor for the construction element, such as is happening in the current Recreation Centre capital project, would be a separate issue. The likely grading for a Development Officer would be SO1-SO2 (circa £26,000 p.a. including NI and superannuation on-costs).
- 4.6 While it is hoped that the HLF will grant-aid the project to 50% of eligible costs, the balance will need to be found from a combination of Council and external sources. At its AGM on 12 June, the Friends of Cheltenham Art Gallery & Museum received formal approval from their membership to establish a fundraising sub-committee. Under the chairmanship of Sir Michael Angus, the Society's President, this sub-committee consists of individuals with a successful track record of fundraising.
- 4.7 While no decision has yet been made as to the proportions of funding to be found respectively by the Council and the Friends, the HLF will require the Council to provide some of the financial support as owner of the Art Gallery & Museum. The Friends Committee meets on 4 September to consider the matter and it is hoped that

a representative of the Friends may be able to attend this Overview & Scrutiny Committee, but on the basis that the Friends fundraising team and the Council each find approximately half of the balance outstanding, should the HLF grant-aid 50% of the total costs, a breakdown of respective liabilities may look as follows:

	Gross figure for project as per Appendix A £ (rounded)	Net figure on basis of possible 50% from HLF (subject to HLF approval) £ (rounded)	Balance of funding from CBC / External fundraising £ (rounded)	Level of external fundraising £ (rounded)	CBC share of funding £ (rounded)
2003/4	494,000	237,000 *	257,000	118,500	138,500
2004/5	247,200	123,600	123,600	61,800	61,800
2005/6	361,200	180,600	180,600	90,300	90,300
2006/7	4,080,800	2,040,400	2,040,400	1,020,200	1,020,200
2007/8	2,720,500	1,360,250	1,360,250	680,125	680,125

* £20,000 of £494,000 is for business planning as part of Stage I application process to HLF. This is not grant-aidable by HLF but may be used as partnership funding within next 12 months (this is a correction to the line in Appendix A chart showing approximate net figure of possible funds from HLF)

NB (1) Cost of Development Officer post is *excluded* from above figures and would need to be added to CBC share of funding (see §4.5 and §6.3).

NB (2) Please also see *exclusions* listed at bottom centre of Appendix A chart

5 The cost of not pursuing the scheme

5.1 While there appears to be cross-party support for the need for the scheme, the issue of funding has yet to be resolved. Each year that the scheme does not move forward adds the appropriate level of inflation for that period to the project cost. At 5.0% *building inflation*, the current additional cost of one year's delay is approximately £375,000, which would only be funded by the HLF in proportion to the level of any grant it made for the scheme as a whole.

6 Implications

6.1 **Financial** The Council will be required to finance its anticipated share of the redevelopment costs identified in the table under §4.7 over the period 2003/4 to 2007/8 and needs to consider earmarking resources accordingly as part of the budget process for 2003/4 or identify alternative methods of financing the project.

6.2 **Legal** None in relation to this specific report.

6.3 **Personnel** In accordance with the council's constitution, the Group Director, Social and Community has delegated responsibility for determining staffing matters at this level, however the Head of Human Resources is satisfied that there are no direct

employment implications arising from this proposal for existing members of staff.

6.4 **Equal opportunities, social justice and anti-poverty**
None in relation to this specific report.

6.5 **Environmental** None in relation to this specific report.

Background papers: Report to Leisure Committee 20 June 2001, Council 15 February 2002, Cultural & Economic Overview & Scrutiny Committee 21 March 2002

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The Deputy for Health, Wellbeing and Economy, under whose aegis the Art Gallery & Museum Service falls, is Cllr Mrs Rowena Hay.