



# EXECUTIVE MEMBER DECISION

<b>REPORT OF:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Strategic Director of Environment & Operations
<b>DATE:</b>	19 May 2023

<b>PORTFOLIO/S AFFECTED:</b>	Growth and Development
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<b>WARD/S AFFECTED:</b>	Blackburn Central;
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<b>SUBJECT:</b> Blackburn Museum & Art Gallery Roof Replacement
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## 1. EXECUTIVE SUMMARY

Blackburn Museum and Art Gallery roof has been in a declining condition over a number of years, more recently we have experienced water ingress into the first floor galleries, damaging the internal, original plaster frieze and risks damaging paintings and other displays. To protect the external building structure as well as the internal plasterwork and room decoration it is vital for the safe keeping of the collections that the roof replacement is undertaken along with the repair of internal damage.

Despite securing a £365,000 external MEND grant from Arts Council England and Executive Board approval for £100,000 initial match funding, project costs have risen significantly over the intervening period. The evaluated tender prices ranged significantly from circa £560,000 to circa £968,000 with the successful tender leaving a £89,700 funding gap.

Arts Council England have confirmed that there is no additional grant funding available. Therefore, in order to commence and complete the roof replacement to protect the internal and external integrity of the building and safeguard the Museum's valuable contents it is recommended that the Council approves an additional £89,700 match funding. An increase in the Council's contribution to £189,700 represents match funding of 34% with the Arts Council England MEND grant providing 66% of the project costs. If the Council doesn't utilise the MEND grant it would be liable for 100% of the replacement costs.

## 2. RECOMMENDATIONS

That the Executive Member:

Notes the outcome of the full procurement process, which resulted in all valid tenders coming in above the original £465,000 budget. The successful tender of £554,700 results in a project funding gap of £89,700

Approves additional project resource of £89,700, to be funded from the Council's Corporate Property Investment Fund, in order for the tender to be awarded and the project to commence in order for the roof to be replaced over the summer period and to be completed by October 2023 before the onset of colder and wetter weather.

### **3. BACKGROUND**

Blackburn Museum and Art Gallery roof condition has been declining over many years and more recently there has been water ingress into the first floor galleries, damaging the internal, original plaster frieze and risks damaging paintings and other displays

In a heavily oversubscribe funding round submitted in early 2022, Blackburn Museum and Art Gallery were successful in securing £365,000 from Arts Council England's Museum Estates and Development (MEND) fund towards the capital costs of replacing the roof and associated work. Council match funding of £100,000 was approved at Executive Board in August 2022.

The capital project's budget of £465,000 was based on prices applicable at the time.

Arts Council England have confirmed that there is no opportunity to increase the level of grant funding available beyond the secured £365,000.

Following a open tender process including a value engineering and clarification process the resultant, eligible prices ranged from £554,700 to £577,000. To appoint the successful tender an additional £89,700 needs to be identified.

At the end of 2022 Arts Council England announced that Blackburn Museum and Art Gallery had been recognised as one of their prestigious National Portfolio Organisations (NPO) and awarded nearly £500,000 of revenue funding over the next 3 years. This is a prestigious accolade and coincides with the Museum celebrating its 150 years in 2024. The replacement of the Museum and Art Gallery roof will contribute to the successful delivery as an NPO. A delay in replacing the roof would not only incur higher costs but also jeopardise the Council's reputation of its commitment to support and protect the borough's heritage and culture.

### **4. KEY ISSUES & RISKS**

The roof of Blackburn Museum and Art Gallery is in a very poor condition, having seen significant deterioration over recent years causing water ingress. If the roof is not replaced, further damage will be experienced to the fabric of the building, requiring increased costs to the Council in future years as well as an increasing risk of damage to the museum's valuable collections, damaging the Council's reputation as custodian of the collections.

The work is essential and needs to be undertaken. If the Council does not utilise the MEND grant to replace the roof, it will inevitably have to cover 100% of the costs to replace the roof in future years.

The uplift in project costs is due to the ongoing, escalation in prices for enabling works such as scaffolding, labour and materials. There is no indication that these will reduce in the coming months and therefore any delay in delivering the project may see even higher tenders being submitted.

To facilitate the project and mitigate, where possible the impact of poor, rainy weather, it would be advantageous to undertake the roof replacement over the summer period. Any delay in commencing the programme will push the schedule into the autumn's rainy weather.

Further delays in commencing the project could see additional deterioration in the roof's condition resulting in additional costs to the project and corporate building maintenance.

Blackburn Museum & Art Gallery celebrates 150 years in 2024 – the roof replacement needs to be completed to enable the building to be presented in the best possible condition during this prestigious year.

An increase in the Council's contribution to £189,700 represents match funding of 34% with the Arts Council England MEND grant providing 66% of the project costs.

## 5. POLICY IMPLICATIONS

None

## 6. FINANCIAL IMPLICATIONS

The evaluated tender price for the roof replacement project is £554,700 against a committed budget of £465,000; External MEND grant of £365,000 and approved Council contribution of £100,000 (approved Executive Board August 2022). This leaves an identified funding gap of £89,700.

The funding gap is due to increased costs for enabling works, such as scaffolding, higher labour and material costs.

The additional funding will be earmarked to come from the Council's Corporate Property Investment Fund. The Fund for financial year 2023/24 is £1.727m and, as this has already been approved as part of the Council's current capital programme, the allocation to the Museum Roof project will not result in any additional borrowing costs.

If the MEND grant is not utilised the Council would need to cover 100% of the project costs. It is therefore good value for money to identify additional Council resources of £89,700, providing a total match funding amount of £189,700 equating to 34% of total project costs.

## 7. LEGAL IMPLICATIONS

The contract value is below the threshold for works where the Public Contracts regulations 2015 would apply. The contract will be in a form approved by legal officers in the Contracts and Procurement team.

## 8. RESOURCE IMPLICATIONS

Officers from the Corporate procurement team and building and facilities team have engaged in the procurement process to award the contract for the roof replacement and internal works. Officers from the building and facilities team will perform project management and clerk of works role working with the appointed contractor on the delivery of the scheme.

## 9. EQUALITY AND HEALTH IMPLICATIONS

**Please select one of the options below. Where appropriate please include the hyperlink to the EIA.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

## 10. CONSULTATIONS

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

<b>VERSION:</b>	<b>2</b>
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<b>CONTACT OFFICER:</b>	<b>Claire Ramwell</b>
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<b>DATE:</b>	17th May 2023
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<b>BACKGROUND PAPER:</b>	
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