
Executive Decision Leicester Museum & Art Gallery Capital Project

Decision to be taken by: City Mayor

Decision to be taken on: 28 May 2024

Lead director/officer: Mike Dalzell

Useful information

- Ward(s) affected: Castle
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- Report version number: 1

1. Summary

The purpose of this report is to gain the necessary approvals required for continuation of Phase 4 and 5 capital works programme at Leicester Museum and Art Gallery (LMAG). Phase 4 works will create new art gallery displays, café, shop and reception. Phase 5 will include the development of new social history galleries, environment galleries, improved learning spaces and first floor occupancy works. A National Lottery Heritage Fund (NLHF) application will be submitted to fund the Phase 5 works and this report is to release funding towards the cost of developing the application. These works will enable a major overhaul and upgrade of the city's flagship free museum.

2. Recommended actions/decision

1. Approve the addition of £3.621m to the 2024/25 capital programme through the release of the remaining LMAG policy provision.
2. Approve the addition of £844k to the 2024/25 capital programme from the Business Rates Pool, to enable Phase 4 completion and commit the estimated match funding required for the Phase 5 project. This amount includes £350k for the design and fit out of Gallery 1 should applications to NLHF be unsuccessful.
3. Note the intended submission date of August 2024 for a NLHF Round 1 application and the use of the CDN Feasibility budget to develop both Round 1 and Round 2 applications to NLHF.

3. Scrutiny / stakeholder engagement

The vision for the project has been presented previously to the Heritage, Culture, Leisure and Sports scrutiny commission. Visuals illustrating the project were released in the public domain and widely covered in local media in 2023 and there have been many discussions with local regional and national stakeholders. The museums team have also engaged with local residents.

4. Detailed report

4.1. Overview

LMAG is the City's flagship museum, opening in 1849 and celebrating its 175th anniversary in 2024. The museum's displays cover a wide range of eras, subjects and objects of varied geographical origin in art, craft, design, natural history, and archaeology. Work by the Museums' Transformation Programme identified the need for an overhaul of the museum due to:

1. ad hoc gallery developments over the years creating an incoherent layout.
2. the need for additional gallery space.
3. ad hoc extensions to the building since 1849 creating multiple floor levels and a visitor-unfriendly flow route.
4. a backlog of maintenance issues.

4.2 Scheme To Date

To date the LMAG capital project has relocated staff offices to a back of house location and created the Leicester Stories Gallery. The project has also undertaken surveys and developed designs to RIBA 3 for Phase 4. This phase comprises new and redisplayed ground floor art galleries, a relocated and expanded café which opens towards New Walk, a new shop and reception, improved visitor routes and essential building maintenance work. Funding has been secured from the Arts Council England MEND fund to support some of the essential maintenance work (roof repairs, ventilation) that forms part of the Phase 4 works. An expression of interest to the NLHF has been accepted and a full application has also now been invited for a Phase 5 scheme that would carry on improvements to develop new social history galleries, environment galleries, improved learning spaces and works to expand first floor occupancy.

4.3 Planned Works

Phase 4 is underway with designs currently at RIBA 3 and a planning application has just been made. Construction works are due to start in November 2024. Successful delivery of the Phase 4 work will see the new art gallery spaces open to the public and the new café operational in November 2025. The refurbished Gallery 1 opposite the main entrance will be complete with new reception and shop in August 2026. A new gallery space will be created in the location of the current café. The timing of the completion of the Story of Leicester Gallery in this space (Gallery 1) will depend on whether NLHF support is secured. If successful, the £350k funding allocated within the Phase 4 budget for the space will provide match funding for the enhanced NLHF scheme. If unsuccessful, the allocation within the Phase 4 budget will be used to create a Story of Leicester Gallery only. In order to proceed, approval is sought to release the amount of £3.621m from the 2022/23 capital policy provision (Budget line 3 below). In addition, a further £743k is required (Budget line 4.1 below), as set out in the latest RIBA 3 cost plan.

Phase 5 of the project would be subject to successfully receiving NLHF funding. That Phase would develop new social history galleries, environment galleries, improved learning spaces and carry out first floor occupancy improvement works. An expression of interest for Heritage Funding was successful in late 2023 and work is currently underway to develop a Round 1 application to NLHF which will be submitted in August 2024.

If successful, the subsequent Round 2 application will be submitted before the end of the Development Phase, likely to be May 2026. The estimated £30k costs for developing that application will likely draw on the CDN feasibility budget (Budget line 5.1 below). Subject to success with the Round 1 August submission the majority of the cost to develop the Stage 2 application during the Development Phase will be covered by NLHF. There is a 10% match funding requirement and this report seeks to commit £101k (Budget line 4.2 below) which covers off the council's match funding requirement in the Development Phase to prepare the final Round 2 NLHF bid.

The overall NLHF project is currently costed at £7.05m including for the main Delivery Phase. Whilst NLHF would cover up to 90% of these costs, applicants must commit to a partnership funding agreement for the other 10%. This match funding can be comprised of cash contributions, non-cash contributions and volunteer time. We have developed a partnership funding package which constitutes 17% of project costs, demonstrating a strong commitment to the project. As mentioned above, if the NLHF application is successful, the £350k earmarked for the Gallery 1 space fitout in the Phase 4 budget will be used as match funding for the Delivery Phase of NLHF project. This is estimated to be sufficient to cover the cash match fund requirement from the council.

4.4 Funding Summary

The proposed funding package is as follows:

Approved Funding

1. Capital Programme	£2,500k
2. ACE MEND	£958k
Existing Approved Funding Total	£3,458k

Additional Funding

3. Capital Programme (22/23) Policy Provision	£3,621k
4. Additional Capital Programme	
4.1 Phase 4	£743k
4.2 Phase 5	£101k
	£844k
Additional Capital Programme Funding Total	£4,465k

5. CDN Feasibility Budget

5.1 Phase 5 NLHF Development Phase	£30k
Additional Feasibility Funding Total	£30k

Total Funding **£7,953k**

4.5 MEND Round 4

In addition to the works listed above an opportunity has arisen to apply for further funding from the Arts Council England MEND Fund, as they are launching Round 4 of that scheme. An Expression of Interest has been submitted earlier this month, which covers essential improvements to outdated ventilation and humidification systems. The cost of these works has been valued at £590k. If we are invited to apply it is estimated that fees totalling £50k will be requested from the feasibility budget to get the application to submission stage (RIBA 3 plans are a requirement). If successful in the application, then a match funding requirement of £59k (10%) will be requested from the capital maintenance budget.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

The forecast cost of the capital works to Leicester's Museum and Art gallery is £7.953m. This report proposes the approval of an additional £4.465m to the Council's capital

programme for the phase 4 and 5 works to progress. This is to be funded from the release of £3.62m from the LMAG policy provision and £844k set aside from business rate pool monies. The remainder of the costs are to be met by existing LMAG budget of £3.458m and feasibilities budget of £0.03m.

Richard Hawkins, Capital Accountant, Ext 37 1791

5.2 Legal implications

Based on the report there are possibly two strands of external funding that is being applied for that being, the National Lottery Heritage Fund (NLHF) and funding from the Arts Council England – The MEND Fund. With both funds, the Authority will need to ensure it complies with any specified conditions imposed by the conditions of funding together with an assessment against subsidy control of the incoming funds (where relevant). Legal Services can assist with this and review the terms, though it has given provisional advice on some terms of the NLHF.

The forward funding is proposed to be used to deliver the projects in question (as detailed within this report). Any commissioning of services/works/goods/consultancy is required to be carried out in accordance with the Authority's Contract Procedure Rules Public and the Public Contract Regulations 2015 (as amended) therefore Legal and Procurement Services will need to be engaged at an early stage. Further the use of the funding and any grant awards of the funding to third parties will need to reflect the requirements on the Authority (and step-down obligations where appropriate) under the external funding terms. There is also mention of match funding and partnership working, this will need to be underpinned by a partnering agreement to secure the respective rights and obligations of the partners as soon as possible.

Mannah Begum, Principal Solicitor, Commercial & Contracts Legal, Ext 1423

5.3 Equalities implications

There are no direct equality implications arising from this report. However, if funding for the project is approved equality implications will need to be considered as the project develops. To fully explore the likely impacts of the project across all protected characteristics, it is recommended a full Equality Impact Assessment (EIA), using the corporate template, be undertaken. Carrying out an EIA is an iterative process, which should be revisited throughout the decision-making process and updated to reflect any feedback/changes due to consultation as appropriate.

Kalvaran Sandhu, Equalities Manager, Ext 6344

5.4 Climate Emergency implications

The council's own buildings are a significant source of carbon emissions. Following the council's declaration of a climate emergency and ambition to achieve net zero carbon emissions tackling these emissions is particularly important as this is an area where the council has a high level of control. In the 2022/23 financial year Leicester Museum & Art Gallery had a carbon footprint of 160 tonnes of CO₂e, 1.9% of the council's total carbon emissions from buildings.

Therefore, as part of the programme of works outlined in this report, consideration should be given to opportunities to improve energy efficiency, reducing energy consumption and lowering carbon emissions. This could include measures to fit efficient lighting and equipment, improve insulation and install renewable energy measures, as well as procuring low carbon goods and materials to reduce the embodied emissions of the works.

This includes the potential improvements to the ventilation and humidification systems through the MEND Fund noted in this report, which represent a key opportunity to deliver energy savings. As part of the planning process, development will also be required to follow policy CS2 of the Adopted Leicester Core Strategy on Addressing Climate Change and Flood Risk and relevant building regulations.

As also noted in this report, the planned NLHF bid includes funding for the development of environmental galleries within the museum. This project is expected to support the council's delivery of its ambition to achieve net zero through educating and engaging with the public on the climate emergency.

Aidan Davis, Sustainability Officer Ext 37 2284

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

N/A

6. Background information and other papers:

N/A

7. Summary of appendices:

N/A

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a "key decision"? If so, why?

Yes.

Expenditure exceeding £1m is proposed which has not been specifically approved by Council