

Leicester
City Council

WARDS AFFECTED: CASTLE

CABINET

18 October 2004

Newarke Houses Lottery Funded Project

Report of the Service Director, Cultural Services

1 Purpose of Report

- 1.1 To authorise commencement of the Newarke Houses project, at a total cost of £1,510,000, in accordance with Project Management standards for major projects.
- 1.2 To report the action of the Corporate Director of Regeneration and Culture in authorising an exception to Contract procedure Rules with regard to the appointment of Focus Consultants (UK) Ltd. in accordance with Contract Procedure rule 4.1K

2 Summary

- 2.1 The City Council is working in conjunction with the Royal Leicestershire Regiment Association on the development of a scheme to refurbish and redisplay Newarke Houses Museum, to present the achievements of the Regiment and act as a memorial to its members who gave their lives in service to their Country, whilst at the same time telling the story of modern Leicester. The project improves access and interpretation of this important building, enabling it to meet the requirements of the Disability Discrimination Act.
- 2.2 Officers, after consultation with Elected Members, submitted an application to the Heritage Lottery Fund in March 2003. After a lengthy evaluation process the City Council was informed in September 2003 that its bid for £1m had been successful.
- 2.3 The HLF, the Council and the Royal Leicestershire Regiment are jointly funding the project. The Council's contribution is 17.5%. Approval is now sought from Cabinet to start the project in accordance with the Council's Project Management Standards for major projects.
- 2.4 This report also advises Cabinet of the action of the Corporate Director, Regeneration and Culture to continue the appointment of Focus Consultants (UK) Ltd as Project Managers for the scheme, originally appointed by the Royal Leicestershire Regiment Association, as an exception under Contract Procedure rules on the grounds of urgency and because it would be contrary to the City Council's interest in terms of time and cost to seek tenders. Contract Procedure rule 4.1K requires this action to be reported to the next available meeting of Cabinet.

- 2.5 This project is not included in the 2004/5 Capital Programme, as the funding for it is met from departmental revenue resources and external sources (see section 4 below).

3 Recommendations

Cabinet are recommended to:

- 3.1 To authorise commencement of the Newarke Houses project, with total costs of £1,510,000, made up as shown in Table 1 below, in accordance with the Council's project management standards for major projects.
- 3.2 To note the action of the Corporate Director of Regeneration and Culture in authorising an exception to Contract procedure Rules with regard to the appointment of Focus Consultants (UK) Ltd. in accordance with Contract Procedure rule 4.1K.

4 Financial & Legal Implications

Financial Implications

Table 1

Breakdown of Project Costs

	2003/04 £'000	2004/05 £'000	2005/06 £'000	TOTAL £'000
Building Works			383	383
<u>Interpretation & Exhibition Works</u>				
- Design & Construct		153	697	850
- Other Costs	4	40	73	117
<u>Professional Fees</u>				
- Project Management	21	40	11	72
- Other Costs		53	35	88
Total Costs	25	286	1,199	1,510
Funded				
By:-				
Heritage Lottery Fund Grant				1,000
Royal Leicestershire Regiment				250
LCC Contribution				260
				1,510
LCC Contribution represented by:-				
- LCC Property Services M&E Works				118
- LCC Property Services DDA Works				22
- LCC Cultural Services (Museums)				120
				260

- 4.1 The Leicester City Council contributions from Property Services consist of £118k for heating and rewiring costs which are necessary for the property irrespective of this project, and £22k towards the cost a lift and ramping for disabled access, required under the Disabilities Discrimination Act.
- 4.2 The expenditure of £25k incurred in 2003/04 on Project Management costs was funded from the Museums revenue budget. The contribution from Cultural

Services (Museums) towards current and future costs will be realised by prioritising the Museums Exhibitions budgets and has been separately identified within the 2004/05 and 2005/06 revenue budgets.

4.3 The Heritage Lottery Fund Grant will be received in staged payments throughout the life of the project. The contribution from the Royal Leicestershire Regiment will be paid on completion of the project.

4.4 As stated in paragraph 2.4 above, this project is not included in the 2004/05 Capital Programme. However, based on the funding described above the project costs will be fully covered without a contribution from the Councils capital receipts.

Alan Tomlins 24.08.04

Legal Implications

4.5 Following on from the previous formal partnership with the Royal Leicestershire Regiment Association, dating from the 1960s, a new agreement between Leicester City Museums and the Royal Leicestershire Regimental Association has been signed by which the Council agrees to provide space for the new Regimental galleries at Newarke Houses Museum for 25 years and which includes agreed arrangements for managing the Regimental collection.

4.6 Rule 4.1K of Contract Procedure Rules exempts from competition requirements contracts certified by the relevant Director as being urgent and where it would be contrary to the Council's interest to seek tenders.

Joanna Bunting 24.08.04

5 Report Author

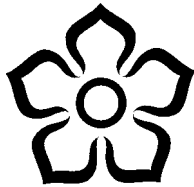
Sarah Levitt, Head of Museums

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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



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SUPPORTING INFORMATION

Report

1 Background

- 1.1 The Royal Leicestershire Regiment Association has had a partnership agreement with Leicester City Council since the early 1960s, when the museum service undertook to display and manage the Regiment's museum collections.
- 1.2 A regimental museum was opened in the Magazine Gateway in 1974. By that time the Victorian barracks, which stood around the Gateway, had been demolished, and the ring road constructed.
- 1.3 Leicestershire County Council secured HLF funding to redisplay the museum in 1995, but in the course of taking down the displays, structural problems were uncovered which meant that the project had to be halted. These had not been resolved by the time Leicester City Council took over the museum service in 1997, and so the museum remained closed. Subsequent feasibility work showed that the project was not viable because of cost/benefit issues and significant access problems.
- 1.4 A temporary home was found for the regimental museum at New Walk Museum, which opened in 1999.
- 1.5 In 2001 The Royal Leicestershire Regiment Association and the City Council began working together on a project to develop a new museum. The Regimental Association provided £77,000 funding for the initial work, commissioned Focus Consultants (UK) Ltd to carry out feasibility work and develop the application, and launched a fundraising campaign to raise a further £250,000 as their share of the partnership funding required by HLF.
- 1.6 Following the success of the application to the Heritage Lottery Fund (HLF) for funding to refurbish Newarke Houses in conjunction with the Royal Leicestershire Regimental Association, the contract with Heritage Lottery Fund was signed under Delegated Powers and preparatory works began. The building is now closed and emptied and the project will shortly commence formally. The museum will re-open in late 2005.

2 Appointment of Consultants

- 2.1 Focus Consultants (UK) Ltd and Graham Black Interpretation were formally appointed by the Royal Leicestershire Regiment Association to develop the initial HLF bid, on the basis that they would be retained, should the bid be successful, to deliver the project. The Royal Leicestershire Regiment then asked Leicester City Council to act as its agent in relation to developments at Newarke Houses Museum.
- 2.2 When the bid was successful, Focus Consultants (UK) Ltd was instructed to proceed with the delivery stage by the Head of Museums in consultation with the Head of Finance and the Service Director for Cultural Services. The existing contract was honoured because if the Council had started a new procurement process, the Regiment would have had to terminate their agreement with Focus Consultants (UK) Ltd and incur additional costs, because of the commitment the Regiment had made to Focus Consultants (UK) Ltd. Starting a new procurement process would have incurred further additional costs and a significant delay in preparing the final submission to the Heritage Lottery Fund. A delay would also have impacted on the start of work at Newarke Houses Museum.
- 2.3 The Corporate Director, Regeneration and Culture approved the action of the Service Director and Head of Service. Paragraph 4.1K of Contact Procedure Rules requires that this action be reported to the next meeting of Cabinet and, whenever possible, shall be made before a contract is awarded.

3 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

Financial Implications

- 3.1 Please refer to summary report.

Legal Implications

- 3.2 Please refer to summary report

4 Other Implications

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	YES	2.1
Policy	NO	
Sustainable and Environmental	NO	
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly People/People on Low Income	YES	2.1

5 Risk Assessment Matrix

	Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
1	Failure to /delay in delivering project will have negative impact on: relations with general public, local media, stakeholder and heritage organisations	L	H	Ensure project is implemented properly
2	Failure to/delay in delivering project to adequate standard which meets customer needs will result in customer dissatisfaction, failure to meet targets for visitor numbers agreed with HLF, and missed opportunity to support council priorities	L	H	Ensure project is implemented properly
3	Failure to manage project adequately would have negative impact on relations with general public, local media, stakeholder and heritage organisations. In particular, HLF relations with Council as a whole and likelihood of support for future council projects could be compromised.	L	H	Ensure project is implemented properly

L - Low
M - Medium
H - High

L - Low
M - Medium
H - High

6 Background Papers – Local Government Act 1972

- Delegated Powers Certificates 25.3.03, 26.3.04, 20.5.04, 14.07.04
- Application to Heritage Lottery Fund and related documents

7 Consultations

Consultee

R&C Head of Finance (Alan Tomlins)
RA&D Legal (Joanna Bunting)
R & C Capital Accountant (Stan Klak)

Date Consulted

30.7.04; 24.08.04
27.7.04; 24.08.04
16.08.04; 24.08.04

8 Report Author

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