

# **WAVERLEY BOROUGH COUNCIL**

## **EXECUTIVE**

**6 SEPTEMBER 2022**

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**Title:**

**Update on the Museum of Farnham MEND Application**

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**Portfolio Holder:** Cllr Mirylees, Portfolio Holder for Health, Wellbeing, Parks and Leisure

**Portfolio Holder:** Cllr Merryweather, Portfolio Holder for Finance, Commercial and Assets

**Head of Service:** Kelvin Mills, Head of Commercial Services and Projects

**Key decision:** Yes

**Access:** Public / ~~Exempt~~ / ~~Part Exempt~~

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### **1. Purpose and summary**

- 1.1 To provide an update on the Museum of Farnham's application for the Museum Estate and Development Fund (MEND) round 2.
- 1.2 The report briefly sets out the status of the project and the key challenges to be met to ensure the Council is in the best position to submit a compelling bid by 30 September 2022 deadline.
- 1.3 The application must include evidence that the level of partnership funding indicated in the Expression of Interest is secured or can be achieved prior to the project starting in April 2023.

### **2. Recommendation**

It is recommended that the Executive agrees to the Council committing £100,000 of capital funding as a partnership contribution to an overall match fund commitment of £200,000.

However, if circumstances are as such that:

- I. The Council is awarded the full grant of £638,000 requested of MEND
- II. The legal and financial terms and conditions of grant are agreeable to the Council
- III. Every effort to obtain partnership funding from external sources has been explored

The Executive supports a recommendation in principle to the Council to make up the match funding shortfall based on a value for money appraisal and the identification of an available budget to enable the project to proceed to the construction phase.

### **3. Reason for the recommendation**

#### **About MEND**

The Museum Estate and Development Fund (MEND) is a capital fund to enable accredited museums to undertake vital infrastructure and urgent maintenance repairs to museum buildings. The fund is distributed by the Arts Council and supported by the DCMS, Historic England and the National Lottery Heritage Fund.

In 2021 Waverley submitted an expression of interest to MEND round 1, which was unsuccessful. To provide some context the Arts Council received 212 expressions of interest in round 1 and invited 50 museums spread across the country to make a full application. 31 projects went on to receive a MEND grant, of which 7 were based in the southeast region.

In April 2022 Round 2 was announced and the Council submitted an expression of interest. In late July we received notification that our expression of interest was successful, and that we could proceed to the full application stage. The deadline for a full application is 30 September 2022.

#### **Summary of the Museum of Farnham Mend Project**

The Council has requested £638,553 from MEND towards a total estimated project cost of £838,553. If successful, the funding will focus on the restoration of the high-level brickwork on the front façade of Wilmer House. In simple terms the gauged brickwork has reached the end of its life; the brick mouldings, cornice, window architraves and parapet wall are all displaying signs of deterioration. Poor repairs have been carried out in the past using incorrect materials (cement), the parapet wall is holding water and there is a bonding issue which means it is necessary to tie the ornate facing brickwork to the inner brickwork skin across the cavity as the original construction had minimal ties built in.

Due to the exceptional architectural quality of the building and the highly specialist nature of the repairs this complex restoration project must be led by a suitably qualified professional team that is supported by a conservation accredited building consultant.

#### **The MEND application process**

Being invited to apply for MEND 2 is a great achievement and a positive step forward for the museum. The application process demands a lot of information and a precision of detail in a short period of time, but the Council is well placed in having a strong professional team with a suitable track record of experience in historic building work.

The cost certainty of the project presents a challenge in the current economic climate of rising inflation and construction costs. As it was originally tendered in 2018 a cautious total cost estimate allowing for inflation was obtained in June 2022 based on a repricing exercise. However, to comply with procurement regulations all contractors and consultants involved in the construction phase will be competitively tendered once the outcome of MEND is known. This will provide accurate costings closer to the commencement of works and thereby creates an opportunity for the Council to make a final decision as to whether to proceed based on a calculation of all known risks and costs.

To increase our competitiveness at the expression of interest stage the Council forecast a match funding contribution of 24% of the total project cost which equates to £200,000. To date, we have only managed to secure a commitment of £10,000 from Farnham Town Council. Farnham Building Preservation Trust are keen to support the project, but their resources are contingent on the sale of a residential property which has recently fallen through. We are approaching The Pilgrim Trust who are a national charity supporting the conservation of historic buildings as well as The Georgian Society. We are also currently approaching Surrey County Council Councillors and several local civic societies including The Farnham Museum and District Society, The Cobbett Society, Farnham Institute, the Rotary Club, and the Lions.

The Council must provide evidence of the match funding we have secured for the project in the bid together with an achievable fundraising plan for the outstanding amount. All monies must be in place by the start of the project in April 2023.

### **Project Timeline**

#### **2022**

August	Prepare MEND bid
September 30	Submit Mend Bid
October – Dec	Fundraising

#### **2023**

January	Re survey condition to assess how it has shifted in 4 years
February	re specify scope of works and develop tender documents
March	Mend Outcome
April	run tender
May	Works commence

### **5. Relationship to the Corporate Strategy and Service Plan**

5.1 Securing the future of the museum building and service is a stated priority within the Council's 2022/23 service plan for Commercial Services.

### **6. Implications of decision**

#### **6.1 Resource (Finance, procurement, staffing, IT)**

The MEND application requires the council to commit to providing match funding. This is estimated at £200,000 based upon current repair estimates. This is not currently budgeted for and will have to be earmarked in the capital programme or revenue budget in 2022/23 or the 2023/24 budget depending on lead times. However, the sum required is not unreasonable to resolve the significant liability issue inherent with the ownership and operation of Wilmer House.

#### **6.2 Risk management**

6.2.1 A costed risk register is a mandatory requirement of MEND and is currently being developed. It will assess the risk of:

- Rising project costs
- Not achieving match funding levels
- Unacceptable terms and conditions attached to a MEND grant offer
- A significant shift in the scope of work and the repair options

- Procurement challenges

### **6.3 Legal**

6.3.1 The Council has the power under section 1 of the Localism Act 2011, known as the 'general power of competence' to apply for, accept and distribute grant funding.

6.3.2 Under 'Part 3 Responsibility for functions' of the Council's constitution, section '3.0 Responsibility for Executive functions' 'Policy issues' Executive has delegated authority to '(l) To make grants within the approved budgets to voluntary organisations and other outside bodies operating within the committee's responsibility including the Matched-Funding Scheme.' Further, under 'Leisure Issues' '(a) To advise the Council on major policy issues relating to the following functions: (vi) arts, museums, cultural and community activities and facilities (x) grants relating to all these areas. (b) To carry out, within the Council's policy and approved capital programmes and revenue budgets, subject to the conditions of delegation, the management of the above mentioned functions. (c) To make grants within the approved budgets to voluntary organisations and other outside bodies.' Further, under 'Strategic Planning Issues' 'To advise the Council on all matters of policy relating to the following functions: (ix) the administration of grants towards the preservation of listed buildings and buildings in conservation areas, or within the Farnham town scheme'.

6.3.3 If the Council is successful in obtaining the grant funding from MEND then it will be required to enter into a funding agreement which clearly sets out the terms of the funding and includes conditions and safeguards as appropriate to protect the Council's interests. All funding agreements, and any subsequent proposed changes, must be agreed by the S151 officer who must assess the risk and impact.

### **6.4 Equality, diversity and inclusion**

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

### **6.5 Climate emergency declaration**

The museum must commit to measuring its environmental performance and achieve a reduction in carbon emissions if it is successful in attracting a MEND award. The project will identify any potential for sustainability technologies to be involved and create an argument for whole life cycle costs.

## **7. Consultation and engagement**

7.1 In March 2022 the Council held a workshop for local stakeholders. The aim was to present the findings of an options appraisal report and to test the validity of 3 key options which included transferring the museum to an existing trust, creating a new trust, or digitising the museum. The participants unanimously supported a physical base for the museum service and public ownership for Wilmer House. The Museum Working Group are acting on the key interests declared by the parties involved in the discussion. This in the early stages of development.

**8. Other options considered**

- 8.1 The Council has considered a variety of alternative options at great length. Achieving external funds to repair Wilmer House delivers the best outcome for the future of the museum and Farnham residents.

**9. Governance journey**

- 9.1 Executive briefing.

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**Background Papers**

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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**CONTACT OFFICER:**

Name: Charlotte Hall

Position:

Telephone: 0148 523399

Email: charlotte.hall@waverley.gov.uk

Agreed and signed off by:

Legal Services: 25 August 2022

Head of Finance: 25 August 2022

Strategic Director: date

Portfolio Holder: date