

Waverley Borough Council

Report to: The Executive

Date: 6 June 2023

Ward(s) affected: Farnham

Report of Director: Community Wellbeing

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Executive Portfolio Holder/ Lead Councillor responsible:

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Report Status: Open

Approval of Arts Council England’s Terms and Conditions for the Museum Estate and Development Fund (MEND) and the enabling of essential building repairs and conservation work to Wilmer House, the Museum of Farnham.

Executive Summary

- 1.1 Waverley Borough Council has received a capital grant from the Arts Council to carry out essential building repairs to the external façade of Wilmer House. Acceptance of the grant places a legal obligation on WBC to maintain the property estate for the purpose of a museum for a duration of 15 years. This report summarises the key legal conditions attached to the grant and their implications for the Council.

- 1.2 The report also updates Members on the outcome of a tendering process to procure professional building services. The scope of tendered works includes progressing the technical design and delivery of the project to RIBA Stage 4, obtaining, and complying with statutory consents, project coordination, contract administration and monthly reporting of progress and costs.

2. Recommendations to Executive

The Executive is asked to approve:

- 2.1. That the Joint Strategic Director of Community Wellbeing be given delegated authority to accept Art Council England's Terms and Conditions for the MEND grant.
- 2.2. That the Joint Strategic Director of Community Wellbeing be given delegated authority to enter a Deed of Covenant in recognition of the fact that the project is to be part funded by Arts Council England. This shall include authorising the acceptance of the 'Certificate of Title and Deed of Grant' and the registry of a restriction on the property freehold together with any other related necessary documentation, which prevents the disposition of the registered estate or the granting of a lease or license to a third party without the Arts Council's prior written consent. The term of the restriction shall be 15 years.
- 2.3. That the Joint Strategic Director of Community Wellbeing, be given delegated authority to approve the award of the contract for professional building services to Drake and Kannemeyer Chartered Surveyors and any related ancillary documents. This will be to provide the technical design and delivery of the project to RIBA Stage 4, to obtain and comply with statutory consents, to prepare the tender for the main contractor and report on the tenders obtained, administer the contract for the main contractor and ensure project delivery to an agreed programme and cost.

- 2.4. A budget of £179,000 to be met from the MEND project funds be assigned for provision of professional property services, legal advice, and internal project management resource.
- 2.5. The Executive recommends to Council that a budget of up to £275,000 be approved from capital receipts or the Property Investment Reserve. This will be to fund a potential budget gap if efforts to obtain external funding are unsuccessful or overall project costs are higher than predicted.

3. Reason for Recommendations:

Accepting the MEND grant offer:

- 3.1. Arts Council England have formally offered Waverley Borough Council a Museum Estate and Development grant of £734,335 to carry out essential brickwork repairs to the front elevation of Wilmer House. The capital grant offer is subject to the acceptance of Arts Council England's Standard Terms and Conditions for the MEND Fund.
- 3.2. In recognition of the value of the grant Arts Council England require security against the asset for a period of 15 years. This involves the Council agreeing to enter a Deed of Covenant that includes the enactment of a restriction on Title over the freehold of the property. The restriction legally obligates the Council to maintain the property estate as a museum, preventing its disposal or any other arrangements with third parties without Arts Council England's prior written consent.

The procurement of professional property services:

- 3.3. The Council has carried out an open tender process to procure professional building services to design, coordinate and administer the delivery of the project. The invitation to tender required bidders to put forward a multidisciplinary team with a proven track record of success in the conservation and repair of historic buildings. The tender period closed on 28 April 2023 and Drake and Kannemeyer, with associate sub-contractors, were the only bidders. Based on the

award criteria Drake and Kannemeyer scored highly for quality given their long-standing association with the project and offered an economically advantageous proposal by way of a fixed fee that aligns with the MEND budget for professional fees and services.

4. Exemption from publication

- 4.1. No

5. Purpose of Report

- 5.1. The purpose of the report is to obtain approval from the Executive to accept the terms and conditions of the MEND grant including a solicitor's undertaking to register a restriction on the property freehold. Acceptance of the grant and approval to award the contract for professional building services to Drake and Kannemeyer will enable the repair and conservation project to begin in the summer through to the commencement of the construction phase in spring 2024.

6. Strategic Priorities

- 6.1. Culture contributes to the wellbeing of Waverley's communities. This project will ultimately lead to the delivery of a high-quality public service accessible for all.
- 6.2. The MEND grant delivers value for money and creates further opportunities to achieve a more sustainable future for the museum through a gradual transition to Farnham Maltings. The project aims to reduce the council's future costs and liabilities associated with the ownership of a Grade 1 Listed building.

7. Background

- 7.1. Wilmer House is a Grade 1 listed Georgian townhouse of exceptional architectural and historic value. Constructed in 1718 it was built to the highest standards and is now considered to be one of the finest

examples of gauged brickwork in the country. The building is home to the Museum of Farnham and is open to the public throughout the year.

- 7.2. The MEND project focuses on the building's front façade which is in a highly vulnerable condition. Brickwork decay is widespread right across the high-level façade. The flat brick window arches at second floor are collapsing, there are signs of accelerated decay on the gauged brickwork cornice and the architectural mouldings and enrichments are highly fragmented. To ensure public safety a scaffold with a crash deck was installed in 2019 to mitigate the risk of high-level masonry coming loose and falling onto the public highway below.
- 7.3. Funding the essential repairs from the Council's budgets alone has proved difficult, forcing a Museum Working Group to appraise a range of options for both the building and the museum service. Following an initial expression of interest round, Arts Council England invited Waverley to make a full application to the DCMS Museum Estate and Development Fund round 2. The Council submitted the application in September 2022 and in March 2023 received notification of a successful funding outcome.
- 7.4. The scope of works and repair methodology specified within the MEND project are informed by a considerable body of work gathered over the last ten years. Oversight of these documents plus further detailed inspection has been carried out by a conservation accredited historic building professional as part of the bid writing process.
- 7.5. The total cost of the repair project is estimated to be £1029,145 excluding VAT; this includes a sizeable contingency for inflation and to offset other risks associated with the condition and structure of the building. The value of the MEND grant is £734,335 and a further £20,500 of external funding is already in place. With the MEND grant secured, officers are confident that additional external funding can be found for the project.

7.6. Table 1 Summarises the roles and responsibilities of the professional consultancy team.

<p>Chartered Building Surveyor MRICS</p>	<p>Partner in charge Recommendation to appoint Drake and Kannemeyer LLP</p>	<ul style="list-style-type: none"> - Act as client interface - Project coordination including - coordination of tender for the Main Build Contractor - Contract administration including chairing site meetings, weekly site visits, issuing instructions and certificates - produce monthly cost and progress reports - CDM 2015 Principle Designer
<p>Historic Building Consultant & Conservation Accredited Chartered Surveyor</p>	<p>Associate Consultant – Conservation Lead Services provided by Ingram Consultancy</p>	<ul style="list-style-type: none"> - Technical RIBA Stage 4 Design (pre and post contract) - Preparation of drawings and details - Technical design and delivery - Obtaining and complying with statutory consents - Advising on the availability of brickwork conservators who are skilled in complex gauged brickwork structures - Public engagement with museum visitors on the conservation methods

		<ul style="list-style-type: none"> - Attending site inspections and meetings - Contributing to MEND final evaluation
Chartered Quantity Surveyor	Drake and Kannemeyer	<ul style="list-style-type: none"> - Preparation of tender preliminaries and contract clauses - Tender evaluation - Prepare contract documents - Produce monthly valuations - Consider and agree variation costs - Prepare and agree final account
Structural Engineer	Associate Consultant Structural Engineer Services provided by The Morton Partnership	Advising the professional team throughout the project Overseeing the scaffold and temporary works Review the parapet wall design and roof structure interface

7.7 Appendix 1: Project Programme

Appendix 1 has been prepared by Drake and Kannemeyer as part of their tender submission and provides a detailed schedule of activity for the repair programme.

Members should note that Executive approval for the recommendation to award the main build contract to a suitable contractor will be required in November 2023 following the completion of a tendering process.

8. Consultations

- 8.1. Consultation throughout the project has taken place with the relevant Portfolio Holders and the Executive has been kept informed of progress. Going forward the project manager will prepare monthly highlight reports for the project board and Members will be consulted on the recommendation to award the main build contract.
- 8.2. The new CEO of Farnham Maltings and the board of trustees have been updated, and the museum staff will be part of the project initiation meeting and subsequent site meetings with the various contractors.
- 8.3. Arts Council England have assigned a Fund Relationship Manager to monitor the grant outcomes.
- 8.4. Farnham Town Council are to be updated on the project status once WBC has accepted the grant offer.

9. Key Risks

- 9.1. A costed project risk register is included in the project initiation document and has been submitted to the Arts Council. It will be reviewed monthly or as required. Key risks include:
 - a funding shortfall should costs be higher than predicted due to inflation being above forecast rate.
 - Programme delays and additional costs caused by winter working, exceptional weather, sickness, possible delay to contract.
 - The long lead in period for the procurement of handmade bricks
 - The availability of skilled labour to meet the programme dates.
 - Uncertainty relating to the construction of the parapet wall and cornice and their structural integrity.
- 9.2. The risks have been accounted for in the cost plan which forecast TPI at the date of the tender and at mid-point of build, the project has an overall contingency sum of £161,662.

10. Financial Implications

- 10.1. Failure to accept the MEND grant puts the offer of £734,335 at risk. The loss of this grant would have a severe impact on the Council's ability to deliver the repair works to the Grade 1 Listed building.
- 10.2. At its meeting on 6 September 2022 the Executive agreed to the Council committing £100,000 of capital funding as a partnership contribution to an overall match fund commitment of £275,000. The Executive also supported a recommendation to Full Council that if all efforts to raise additional external funding prove unsuccessful that the Council shall agree to fund the budget gap based on a value for money appraisal and the identification of a budget to enable the project to proceed.
- 10.3. At this stage, the potential funding Waverley will need to commit to is £274,310 made up of the £100,000 agreed by Executive in September 2022 as detailed below, and the current funding gap of £174,310. Officers will be seeking additional external funding to bring this total commitment down.

	£
Cost of Project	1,029,145
Funding:	
MEND grant	734,335
Other external funding	20,500
Waverley commitment (Executive September 2022)	100,000
Total Funding	854,835
Current shortfall	174,310

- 10.4. It is proposed to fund this budget gap from capital receipts or the Property Investment Reserve.

11. Legal Implications

- 11.1. The decision to accept the grant must be approved by the Executive as the value of the grant is over £100,000.
- 11.2. The WBC Legal Team has confirmed that the council owns the property freehold, and the title is currently unincumbered. WBC is therefore free to enter a title restriction with Arts Council England.
- 11.3. The WBC legal team are in contact with the Arts Council and are reviewing the details of the forms relating to the Deed of Covenant and the Certificate of Title.

12. Human Resource Implications

- 12.1. An increase in officer time is required to project manage the MEND programme and fulfil the Arts Council's monitoring requirements.

13. Equality and Diversity Implications

- 13.1. None.

14. Climate Change/Sustainability Implications

- 14.1. The repair works seek to achieve long term sustainable conservation which will minimise the impact on the environment because it will ultimately reduce the amount of repair materials used and will conserve the historic building in perpetuity.
- 14.2. The bricks will be manufactured by traditional brick makers where many of the processes are still completed by hand rather than by machine.
- 14.3. As part of the joinery repair replaceable brush pile draft excluders will be installed into the window sashes and entrance doors to reduce energy loss through drafts.

15. Overview & Scrutiny comments

15.1. None

16. Conclusion

16.1. Accepting the MEND grant is vital for the repair and conservation project to proceed. An award of this value is a significant achievement for Waverley especially at a time when there is so much pressure for external funding. The council is in a strong position to raise further funds and to draw a long and difficult chapter in the museum's history to a positive end. Drake and Kannemeyer have a long association with the project and played a fundamental role in the success of the MEND application. If their appointment is approved, they will be able to start immediately crucially ensuring that the project is delivered within the MEND timescales.

17. Background Papers

17.1. None

18. Appendices

18.1. Appendix 1: Museum of Farnham Building Fabric Essential Repair and Conservation Work Project Programme