

Waverley Borough Council

Report to: Full Council

Date: 18 July 2023

Ward(s) affected: Farnham.

Report of Director: Community and Wellbeing

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Report Status: Open

The Approval of funding to meet the budgetary requirements for the Museum of Farnham MEND Project, which enables building fabric repairs and conservation work to grade 1 listed Wilmer House.

Executive Summary

- 1.1 Waverley Borough Council has accepted a capital grant of £734,335 from Arts Council England's Museum Estate and Development Fund to carry out essential brickwork repairs and conservation works to Wilmer House (Museum of Farnham).
- 1.2 The total cost of the project is estimated to be £1,029,145. This includes a sizeable contingency for rising inflation and other risks associated with the condition and structure of the building. Although

the exact costs will not be known until the contract for the main build is tendered later this year.

- 1.3 As it currently stands there is a potential budget gap of £275,000, which includes a match funding contribution of £100,000 previously agreed by the Executive at their meeting on 6 September 2022. In addition to the MEND grant a further £20,500 of external funding is already secured and officers are confident that funding from other sources can be found to reduce the shortfall further.
- 1.4 At their meeting on 6 June 2023, the Executive 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 of up to £275,000 from capital receipts or the Property Investment Reserve.

2. Recommendation to Council:

The Executive recommends to the Council that:

- 2.1. 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 in the MEND project, if efforts to obtain external funding are unsuccessful or overall project costs increase following the tender for the main build contractor.

3 Reasons for Recommendation

- 3.1. Failure to meet the funding requirements of the principal funder (Arts Council England) may result in the loss of the MEND grant. This would have a severe impact on the Council's ability to deliver the essential repair and conservation works to the grade 1 listed building.
- 3.2. The uncertainty of the building over the last five years has had a negative effect on the museum operation and has prevented the Maltings Museum team from being able to plan effectively. Residents have also expressed their dissatisfaction over the condition of the building and the unsightly and inconvenient scaffold, which incurs an on-going hire cost.

- 3.3. The completion of the MEND project will improve the appearance of the building and the local environment of Farnham; it will remove the need for the temporary scaffold and facilitate a gradual transition of the museum service to Farnham Maltings. Thereby reducing the council's future costs and liabilities associated with the ownership of a grade I listed building.
- 3.4. There are few disbenefits associated with the project, although important considerations for the Council include the cost of the match funding contribution and the 15-year lock-in to the MEND terms and conditions, which place a legal obligation on Waverley to maintain the property for the purpose of a museum.

4. Exemption from publication

- 4.1 No

5. Purpose of Report

- 5.1. This report deals with a potential budget shortfall in the Museum of Farnham MEND project. The matter was reported to the Executive on 6 June 2023 where it was agreed by the Executive to recommend to Council that a budget of up to £275,000 be approved from capital receipts or the Property Investment Reserve.

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. 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 awarded the contract. The decision was based on a highly qualified team and an economically advantageous proposal that aligns with the MEND budget for professional fees and services.

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 now that WBC has accepted the MEND grant.

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. 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.
- 10.2. At this stage, the potential funding Waverley will need to commit to is £274,310 made up of the £100,000 agreed by the Executive in September 2022 as detailed below, and the current funding gap of £174,310. Officers will be seeking additional 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

11. Legal Implications

- 11.1 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.
- 11.2 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 The Museum of Farnham has an Equity, Diversity and Inclusion Statement and follow the Farnham Maltings Equality and Dignity at Work policy which all staff and volunteers are required to read and understand. The museum also operates within the context of Waverley's Equality, Diversity and Inclusion Action Plan for 2022/23 which focuses on the delivery of the following priority outcomes:

Waverley Borough Council has a commitment to:

1. Engage with and understand our communities to ensure our services are accessible and focused on the greatest need.
2. Use feedback to identify unfair treatment and take steps to correct this, taking a zero-tolerance approach to bullying, discrimination, and harassment.

3. A culture in which the contribution everyone makes is valued, recognised and celebrated and everyone feels comfortable to be themselves.
4. Provide an accessible and inclusive working environment and practices where we all are treated fairly, consistently and with respect.
5. Providing an effective equality impact assessment process to ensure our services and policies do not discriminate or unfairly impact our residents or staff.

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. Summary of Options

- 15.1 Option 1: The Council agrees to guarantee the match funding commitment even if external funding cannot be found so that the MEND project can proceed. This will enable the essential brickwork repairs and conservation work to be carried out and will pave the way to a more optimistic future for the museum.
- 15.2 Option 2: Do nothing. This is likely to result in the principal funder (Arts Council England) losing confidence in the Council's commitment to deliver the project. There is an increased likelihood of a negative

reaction from residents if the museum declines or fails through inaction.

16. Conclusion

16.1 The MEND grant is vital for the essential repair and conservation of Wilmer House. 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.

Background Papers

17.1 None

Appendices

18.1 None

Please ensure the following service areas have signed off your report.
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Service	Sign off date
Finance / S.151 Officer	6.06.2023
Legal / Governance	6.06.2023
HR	N/A
Equalities	N/A
Lead Councillor	6.06.2023
CMB	4.07.2023
Executive Briefing/Liaison	6.06.2023
Committee Services	6.07.2023
Executive	6.06.2023

