

Waverley Borough Council

Report to: Executive

Date: 5 March 2024

Ward(s) affected: All Farnham Wards

Report of Director: Community Wellbeing

Author: Charlotte Hall, Arts and Cultural Services Manager

Tel: 01483 523390

Email: charlotte.hall@waverley.gov.uk

Executive Portfolio Holder/ Lead Councillor responsible: Cllr Kika Mirylees and Cllr Mark Merryweather

Email: kika.mirylees@waverley.gov.uk and mark.merryweather@waverley.gov.uk

Report Status: Open

Key Decision: Yes

Museum of Farnham MEND project: Approval to go to tender for a main contractor for the repair and conservation works and an update on programme activities.

1. Executive Summary

- 1.1 At a Full Council meeting on 18 July 2023 Members agreed to accept the terms of a capital grant from Arts Council England's MEND fund to deliver a programme of essential conservation and repairs to the brickwork façade of the Grade 1 Listed Museum of Farnham. Members also resolved to fund a potential budget gap of up to

£275,000 if efforts to obtain additional external funding are unsuccessful or the costs of completing the project are higher than estimated.

- 1.2 This report updates Members on the status of the MEND project and asks the Executive for approval to issue a tender for a main contractor for the conservation and repair contract.

2. Recommendation to Executive

That the Executive approves:

- I. to go to tender for the main contractor for the repair contract through a competitive tender process with the brickwork conservator, Simpson Brickwork Conservation Limited being a named sub-contractor.
- II. to issue the invitation to tender prior to obtaining listed building consent.
- III. a delegation of authority to the Strategic Director for Community Wellbeing in consultation with the Joint Head of Legal and Democratic Support Services to award the contract to the successful bidder. This will be dependent upon listed building consent being granted prior to entering a contract with the recommended contractor.

3. Reason(s) for Recommendation:

3.1 Details of the tender for a main contractor

The Council intends to select the main contractor for the repair contract through a competitive tender process with Simpson Brickwork Conservation Limited being a named sub-contractor within the tender package. The Council will enter a JCT Intermediate Building Contract with Contractor Design Portion 2016 with the successful main contractor and the named specialist brickwork conservator being employed by the successful bidder. The price for the specialist brickwork package will be negotiated with Simpson

- Brickwork Conservation Limited in advance, so that the agreed sum can be included as a fixed cost within the tender. The overall contract value is estimated to be approximately £900,000 plus VAT which includes the cost of the brickwork conservator and the procurement of the handmade bricks.
- 3.2 The Lead Conservation Consultant for the project recommends a single action tender for the specialist brickwork conservator based on his extensive knowledge of the UK's heritage industry.
 - 3.3 Firstly, procuring a brickwork conservator to complete the façade repair is problematic as there is an acute national shortage of suitably qualified brickwork conservators who have experience of large-scale historic brickwork repair. Buildings with highly embellished brickwork facades such as Willmer House are rare, hence the grade 1 listing and consequently there is little demand for this type of work. Simpson Brickwork Conservation is the only company in the UK which is large enough and has sufficient skill, capacity, and experience in-house to deliver a contract of this complexity.
 - 3.4 An alternative option would be to employ a different, smaller company to do the work through an open tender process, and then employ Simpson Brickwork Conservation Limited to train the selected company up. However, the project timescale and budget does not allow for a significant training element. The consultant does not recommend allowing the main contractor to tender the works to a domestic subcontractor as they would not have sufficient experience in working with historic and gauged brickwork. This approach would create a false sense of how much the works will cost and how long it will take. It is also likely to deliver a poor-quality result which is inappropriate and harmful to the long-term conservation of the building.
 - 3.5 The procurement process has been discussed with the Arts Council's Procurement Team. They have agreed in writing to waive the requirement for a competitive tendering process for the specialist

brickwork conservator on the grounds that only one company is able to deliver the required service.

- 3.6 The procurement approach maintains a competitive element as the requirements of the tender package for the main contractor will include: Project management, supervision, administration, planning, site establishment, demobilisation, scaffold design, highway licenses, traffic management, security, the provision of welfare facilities, labour and staff, insurance and health and safety.
- 3.7 As part of the brickwork package Simpson Brickwork Conservation Limited will place a direct order for the handmade bricks with the supplier Bulmer Manufacturer. The bricks will be delivered directly to their workshop and any unused bricks can be repurchased by Simpson's for their ongoing work.

3.8 Listed Building Consent

The Lead Consultant has consulted Waverley's Principal Conservation Officer and Historic England for pre-application advice and is finalising the Conservation RIBA Stage 4 specification and drawings. Neither organisation has expressed any concerns regarding the preliminary plans or brick samples presented so far. The application is on course for submission in early February, but the outcome can take up to three months to be agreed. As Waverley is the applicant, we are advised that the application will need to go to the Council's Full Planning Committee.

- 3.9 In view of the project timescales, it is strongly recommended that we go forward with a parallel approach in issuing the invitation to tender while the listed building consent is being considered. If the tender process is delayed until listed building consent is granted in June, we are at risk of losing the specialist brickwork conservator (Simpson Brickwork Conservation Limited) to other work and the commencement of the project will be pushed into autumn 2024. This would be highly problematic as the rebuilding of the parapet wall cannot take place in colder winter months due to the extensive use of lime putty mortars. The use of lime putty is not advocated when

the temperature is below 5 degrees and falling and external work should therefore be scheduled to avoid the period from October to March. This scenario would force the postponement of the project to Spring 2025, placing the MEND grant in jeopardy as the project must be completed in full by March 2026.

3.10 It is therefore recommended that we go to tender for a main contractor in parallel with the decision-making process for the listed building consent. To lessen the risk of a failure to obtain the consent the Council will defer entering a contract with a successful bidder until the consent is granted. If deemed necessary, it may be appropriate to issue a letter of intent to the contractor until such a time when the consent is in place and the project can proceed.

3.11 Progress with the MEND2 Security Requirements

As of 17 January 2023, Arts Council England confirmed their approval that the security conditions for the grant have been met and that the following documents can proceed to signature:

- The Certificate of Title
- Deed of Covenant
- Letter of undertaking.

3.12 Members are advised that the main document is the Deed of Covenant to be secured against Willmer House, 38 West Street, Farnham (Farnham Museum). The Deed of Covenant will be registered against the property title at the Land Registry and includes a restriction which prevents the sale of the property or the granting of a lease or license to a third party or change of use without the Arts Council's prior written consent. The term of the restriction is 15 years, and the Deed of Covenant is to be executed under seal.

3.13 The Deed of Covenant contains schedule 1 "The Capital Funding Agreement". This schedule includes the terms and conditions of the grant; the agreed use of the grant monies; the duration of the agreement which is 15 years from the date of the funding agreement in April 2023 to March 2037 and the programme date which is April

2023 to March 2026. The Capital Funding Agreement also contains a strict monitoring regime and compliance obligations for the purposes of both the Public Contracts Regulations 2015 and the Subsidy Control Act 2022. Due to the length of time taken to complete the grant security requirements the monitoring and payment schedule is now out of step with the project programme. Officers have therefore advised ACE that the payment profile is updated as follows:

1. First payment due on the 1 February 2024
2. Second payment due on the 31 July 2024
3. Third payment due 31 October 2024
4. Final payment due on the 31 May 2025.

3.14 The Strategic Director for Community and Wellbeing has delegated authority to complete, date and officiate the seal of the Deed of Covenant on behalf of the Council.

3.15 Consultants update report on the Repair Programme

Programme activities delivered to date include:

- Digital survey completed on 8.11.23.
- Drawings issued 1.12.23.
- High level survey completed on 14.12.23.
- Poor condition of windows noted.
- Brick samples matched and 1st batch ordered at risk.
- Scaffold designed and initial contact made with SCC Highways
- WBC and Historic England consulted for Pre-application advice for Listed Building Consent 15.1.2024.
- Procurement and Legal meeting held with WBC.

3.16 The consultant in charge has issued a revised activity schedule for the repair programme dated January 2024. Key dates include:

Activity	Action	Date
RIBA Stage 4 conservation and specification	Issued to WBC for review	9.2.2024
Draft tender documents: Preliminaries Pass/fail requirements. ITT Contractors' welfare	Issued to WBC and workshop with the Council's procurement and legal teams. Details TBC by WBC	9.2.2024
Construction (Design and Management) 2015	Pre-construction information issued to WBC's legal team.	9.2.2024
Listed Building Consent	Application submitted	16.2.2024
Invitation to Tender for Main contractor works	Revised date	1.4.2024
Named sub-contractor (Simpson Brickwork Conservation Limited)	Negotiated price for brickwork package	15.3.2024
Tender return date		3.5.2024
Tender review and agreement Engrossment of contract	Issued to WBC for review by Director for Community Wellbeing, Joint Head of Legal and Democratic Services, Legal, Procurement and project officers	6.5.2024 – 24.5.2024 14.6.2024
Revised start date		15.7.2024
Revised completion date		19.9.2025

3.17 Progress with External Funding

At the Full Council meeting on 18 July 2023 officers reported a gap in the MEND project budget of approximately £275,000. The Council

agreed to underwrite this sum if efforts to secure additional funding from other sources are unsuccessful.

- 3.18 To reduce the budget shortfall officers have identified several funding bodies that local authorities can apply to. The Pilgrim Trust distributes grants to preserve and conserve significant historic buildings across the UK. Following a successful application to stage one Waverley was invited to make a full application for £25,000 which was submitted in November 2023. The application will be considered by the grants panel in March 2024.
- 3.19 The Heritage Fund is the UK's largest funder for heritage, providing National Lottery Grants for projects ranging from £3000 to £250,000. In 2023 the Heritage Fund published a new 10-year strategy, Heritage 2033, which includes details about its four investment principles. The MEND Project is clearly aligned to the investment principles of *'Saving Heritage'*, *'Inclusion, Access and Participation'* and *'Organisational Sustainability'*. Applications for National Lottery Grants are currently closed but will re-open in February with new guidance and application forms. Based upon a positive consultation with a funding officer based in the London and South office, officers will submit a project enquiry form so that any feedback can be addressed in the application. We envisage applying for a grant in the region of £190,000 as this will help to reduce Waverley's contribution to £135,000 and cover the additional cost of repairing and redecorating the front façade windows, transporting, and storing part of the museum collection off site during the works and the funding of community engagement activities.
- 3.20 The MEND Project Board are also exploring the idea of a 'Buy a Brick' campaign to be fronted by Waverley's Mayor. The Board are advised by the consultants that it would be viable for a benefactor to have their initials engraved onto a new brick which will be installed on the building's façade in perpetuity. The benefactors could also be listed on a plaque that is installed in the garden and be recorded in the museum's archives. The Executive are asked to consider whether it is appropriate for the Council to lead such a campaign or whether it

would be better to invite Farnham Maltings to propose a fee for running a fundraising campaign, which covers their marketing and administrative costs.

3.21 Community Engagement Activities

The Project Board have produced a community engagement plan for the MEND project which aims to allay concerns; increase awareness of the historical and architectural importance of Willmer House; explain the conservation methods and materials deployed; explain role of the brickwork conservator and the skills involved in working with gauged brickwork; the importance of preserving the historic environment in perpetuity and ways of involving the community as much as possible in the conservation journey. Delivering the community engagement plan will require additional funding to support activities such as talks, family open days, demonstrations, displays and workshops plus a local and social media campaign, webpage, and filming.

- 3.22 The project board are hosting a public meeting for neighbouring residents and Farnham councillors on 8th February 2024 at 6pm in the museum's garden gallery. The meeting will explain the conservation proposal and how the repairs will be carried out. Residents will be able to meet the team and to ask questions.

4. Exemption from publication

- 4.1 The report is not exempt from publication.

5. Purpose of Report

- 5.1 The purpose of the report is to obtain the Executive's approval to go to tender for a main contractor to carry out the repair and conservation works to Farnham Museum.
- 5.2 It also updates the Executive on all aspects of the MEND project so far including an explanation of the procurement process, the

application for listed building consent, the status of the grant approval process, progress in applying for external funding, the activity schedule for the building works and opportunities to inform and involve the wider community.

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 future 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 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 in place. In April 2023 the council carried out an open tender process to procure a professional project team to design, coordinate and administer the delivery of the project. Drake and Kannemeyer, with associate sub-contractors from Ingram Consultancy and the Morton Partnership were awarded the contract.
- 7.2 The activity schedule for the repairs is fully aligned with the MEND application and cost plan approved by Arts Council England. There is a PID and Project Board in place to provide project management, governance, and oversight.
- 7.3 Key project milestones achieved to date include the appointment of the professional project team; the completion of a digital survey, a

high-level brick survey to prepare the brick templates; the completion of conservation stage 4 RIBA drawings and design, mortar analysis and the matching of brick samples, the preparation of an application for Listed Building Consent and a preliminary design for the scaffolding. Next steps include the preparation of the tender documents and the issuing of the ITT on the Council's procurement portal. Consultation with key stakeholders and residents and has begun and efforts to attract additional external funding are underway.

8. Consultations

- 8.1 Local residents, Farnham councillors, representatives of civic societies and museum volunteers and stakeholders have been invited to a public meeting taking place on 8 February at 6pm. This will be an opportunity for them to hear more about the project and for Waverley to address any concerns they may have.
- 8.2 The project board have developed an exciting community engagement and local media plan but some of its implementation will require additional funding and resources.

9. Key Risks

- 9.1 There is a costed risk register which is regularly reviewed by the professional project team and the project board. The key risks include:
- A funding shortfall should costs be higher than predicted due to inflation being above the forecast rate.
 - A funding shortfall if external funding applications are not successful.
 - The loss of the Specialist Brickwork Contractor to other work if the award of the contract is delayed.
 - Loss of the MEND grant/monies if contract and programme delays go beyond the MEND deadline of March 2026.

- Risks of winter working on the use of lime mortars, exceptional weather, and sickness.
- Reputational damage caused by a failure to inform and involve the local community.

10. Financial Implications

10.1 The budget situation for the MEND project remains unchanged since it was last reported to Full Council on 18 July 2023. The project funding is as follows:

Cost of the project: 1,029,145

Funding:

MEND Grant 734,335

External funding secured 20,500

Budget gap on 6/2/2024 274,310

The budget gap of £274,310 if required will be funded from £50k of general fund working balances with the remainder to be met from capital receipts.

Pending

External funding applied 25,000 (Pilgrim Trust – decision March’ 24)

External funding sought 190,000 (UK Heritage Fund)

Provisional extra expenditure 75,000 window joinery

If the additional expenditure of £75,000 is required a report will be taken to executive to request additional funding.

11. Legal Implications

- 11.1 The report is seeking approval of a procurement strategy and delegation of authority to award the resultant contracts. The value of the proposed works is estimated at circa £900,000. This value places the proposed works out of the scope of Part 2 Public Contracts Regulations 2015 (PCR 2015). There is, however, a requirement to comply with Chapter 8 PCR (below threshold procurement).
- 11.2 It is proposed that the main works contract be procured through an open tender process. This will ensure compliance with Chapter 8 PCR 2015.
- 11.3 It is further proposed that a subcontractor, Simpson Brickwork Conservation Limited, be named, as part of the main works contract award. This approach is akin to a direct award of contract to Simpson Brickwork Conservation Limited. This requires a waiver to be granted by the section 151 officer.
- 11.4 The report outlines the process and procedures to be followed for the purposes of compliance with planning laws and listed building consents.
- 11.5 The funding agreement imposes certain obligations on the Council that must be complied with, and these include amongst other things, compliance with planning laws, listed building requirements and PCR 2015. Officers must, therefore, ensure full compliance.
- 11.6 The proposed works must and can only be undertaken in full compliance with the requirements of the Town and Country Planning Act 1990 (planning) and (Listed Buildings and Conservation Areas) Act 1990 (listed building consents).
- 11.7 Finally, legal must be consulted for the purposes of drafting, preparation of procurement documents, contract documents and endorsements thereof. The proposed works contract will be in the form of the Council's Schedule of Amendments incorporating, JCT Intermediate Building Contract with Contractor Design Portion 2016.

Consultancy appointments will also be in the form of JCT Consultancy Agreement 2016.

12. Human Resource Implications

- 12.1 An increase in officer time is required to project manage the MEND programme, apply for funding, and fulfil the Arts Council's grant monitoring regime.

13. Equality and Diversity Implications

- 13.1 The Museum of Farnham has an Equality, 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 2022/23 which focuses on the following priority outcomes:

- Engage with and understand our communities to ensure our services are accessible and focused on greatest need.
- Use feedback to identify unfair treatment and take steps to correct this, taking a zero-tolerance approach to bullying, discrimination, and harassment.
- A culture in which the contribution everyone makes is valued, recognised and celebrated and everyone feels comfortable to be themselves.
- Provide an accessible and inclusive working environment and practices where we are all treated fairly, consistently and with respect.
- 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 a 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 machine.
- 14.3 As part of the proposed 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 progress the tender for a main contractor in parallel with the Listed Building Consent to ensure that the activity programme for the essential repair and conservation work remains on track to complete the project by March 2026 (the MEND deadline). The Council expects to hear the outcome of external funding bids and to obtain the Listed Building Consent by June/July 2024 which should coincide with the preparation of the contract for the works.
- 15.2 Option 2: The Council waits until the Listed Building Consent is granted before issuing a tender. This runs the risk of losing the specialist brickwork contractor to other work, delaying the repair schedule to autumn 2024, which will push the works into the winter months or delaying until Spring 2025 which runs the risk of the project not completing in time for the MEND deadline. Additional costs will also be incurred if the contract over runs.

16. Conclusion

16.1 The MEND grant is vital for the essential repair and conservation of Willmer House. An award of this value is a significant achievement for Waverley, and we are keen to include and involve the local community in as much as possible. The Council is in a good position to raise more funding from other sources and to draw a long and difficult chapter in the museum's history to a positive end.

17. Background Papers

17.1 None

18. Appendices

18.1 None

Please ensure the following service areas have signed off your report.
Please complete this box, and do not delete.

Service	Sign off date
Finance / S.151 Officer	25/01/2024
Legal / Governance	24/01/2024
HR	N/A
Equalities	N/A
Lead Councillor	24/01/2024
CMB	31/01/24
Executive Briefing/Liaison	6.2.24
Committee Services	13/02/2024