

<b>Committee:</b>	<b>Resource Centre Project Team</b>	<b>Agenda Item</b>
<b>Date:</b>	<b>21 July 2008</b>	<b>4</b>
<b>Title:</b>	<b>Heritage Quest Centre Funding and Start Date</b>	
<b>Author:</b>	<b>Carolyn Wingfield</b>	Item for decision

---

### Summary

Members of the Resource Centre Project team are asked to consider this report and approve the setting of a formal start date of 1 November for the project; the stage at which the Permission to Start Form can be signed; and the proposals for underwriting remaining funding unsecured at this stage up to a maximum of £100,000.

### Recommendations

1. A formal start date of 1 November 2008 is provisionally set to begin work on site, the tendering process and recruitment process for new staff. Meanwhile the architect and Museum staff will carry out preparations and preliminary work, in consultation with HLF and Planning, as far as they are able to do so in advance.
2. The process is agreed for signing the Permission to Start Form and submitting it to the Heritage Lottery Fund, as soon as the transfer of assets to Saffron Walden Museum Society Ltd has been completed after the Society's AGM on 8 August 2008.

Options are

- (a) Submit Permission to Start Form immediately after 8 August but incurring a risk if there is still over £100,000 funding unsecured at that date

Or

- (b) Delay submission of Permission to Start Form until sufficient funds are secured from grants to reduce unsecured funding to £100,000 or less.

3. Accept Saffron Walden Museum Society's offer (subject to approval by its Management Committee, 24 July 2008) to underwrite unsecured funding up to a maximum of £100,000.

### Impact

Finance	Financial risk should be avoided by option 2b; if option 2a is chosen, there is potentially some financial risk if remaining funding is not secured in
---------	--

	time with cash flow projections for project.
Legal implications	Submitting Permission to Start Fund activates legal contract with HLF
Sustainability	HQC should meet / exceed sustainability targets

## Situation

### 1 Sustainability and Energy-efficiency measures

Since Planning Permission was granted in December 2005, and even since the project application was submitted to the Heritage Lottery Fund in September 2007, there have been changes in requirements for sustainability and developments in the technology and options available. These are being checked by Jake Roos and the architect, David Demery, to ensure that the Heritage Quest Centre will meet, and probably exceed, the latest requirements, within budget. In addition to the ground-sourced heat-pump and wind turbine already costed into the project, a 'green' (sedum) roof and some solar panels are also being evaluated. Jake Roos is investigating funding sources which could cover any additional costs which the sedum roof and solar panels would incur on the project budget.

### 2 Planning Permission and Clearance of Site by Council

Planning permission, granted in December 2005, will expire in December 2008. David Demery is pursuing options to obviate the need to re-apply for planning permission, and the attendant risk in delaying the project further and increasing costs. Options being pursued would enable sufficient preparatory work to begin on site in November 2008 to meet Planning requirements, while the construction contract goes out to tender.

It will be necessary for the Council to complete clearance of street sweepings from the site before this work begins, and this is included in the report to go to Council on 22 July 2008. So far, sweepings have been cleared to the sides of the site but need to be totally removed; this work cannot be undertaken as part of the project and needs to be completed before ownership of the site transfers to Saffron Walden Museum Society Ltd.

### 3 Start Timetable

It is necessary to set a start date now in order to

- i. Reduce the risk of increased costs due to delay and inflation
- ii. Retain the confidence of and funding offered by the Heritage Lottery Fund and various other funding bodies, without whom the project is not viable

- iii. Report back to the MLA (Museums Libraries Archives) in August on progress with the Heritage Quest Centre, as a condition of Accreditation (improving collections care)
- iv. Inform the forward planning of other organisations dependent on completion of the Heritage Quest Centre, as well as the Museum's own long-term Forward Plan (due for revision). In particular, delay is impacting on a number of archaeological contractors because the Museum has run out of capacity for archaeological archives from larger sites in Uttlesford.

Although the HLF has not given an absolute deadline, they have advised that we would be given permission to start without all the partnership funding secured if we have a robust fundraising plan and especially if we had a back-up plan for underwriting any shortfall that might arise. HLF stress that it is important not to delay for too long because of inflation. We could start with soft work - e.g. preparing tender documents, perhaps, but this would be at our own risk until we have our formal permission confirmed with HLF.

#### 4 Funding

The details of the current funding situation are summarised on a separate page attached to this report. We should know the outcomes of most, if not all, 'live' applications by November, and most hopefully by the end of September. However from our own experience and that of other museums in a similar position, it is unlikely that all applications will result in a grant being offered.

Most urgent is the need to find 'third parties' willing to make two payments of £5,102 to Viridor for two landfill tax grants offered, and to make one payment of £5,102 to Biffa if our application to them is successful. It is proving very difficult to find third party contributors and the assistance of the Resource Centre Project Team is sought. Without third parties to make these payments to Viridor Waste Management Ltd and Biffa Waste Services, we risk losing up to £150,000 of landfill tax grants.

Museum staff, aided by Museum Society member Carol Law, continue to investigate business and private sources as far as other demands on staff time allow. The Curator is continuing to pursue BAA to discuss further support, but so far they have not set a date. Small donations continue to come in, and a number of sources for small grants (£500 - £2,000 range) have been identified for 'topping up' funding at a later stage.

In assessing the sum to be underwritten, the Worst- and Best-case scenarios are:

##### Worst case

Loss of 3 landfill tax grants is no third party contributors found	- £150,000
No grants from any of the current applications	- <u>£100,000</u>
Total funding to find or underwrite	-£250,000

## Heritage Quest Centre Funding and Start Date

Resource Centre Project Team, 4

### Best case

All three landfill tax grants secured

Sufficient other grants obtained to complete last £100,000

- all funding secured, no sums need to be underwritten

We would hope to get as near 'Best Case' as possible by 1 November, or at least to have secured sufficient funds to be within the £100,000 limit which the Museum Society could underwrite.

### **Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
Risk of inflation to budget and loss of HLF support if start date not set	3	3 - 4	Set provisional start date now (recommendation 1) of 1 Nov and submit Permission to Start Form as soon as possible
Financial risk – finding sums which cannot be raised	3	3 - 4	Museum Society to underwrite last £100,000. Need to secure landfill tax grants, and delay submission of Start Form accordingly